LATIN AMERICAN REPORT

SEPTEMBER 1957 50c

HEMISPHERE: Changes in the role played by the armed forces in politics hint at the emergence of a new sense of responsibility.

ARGENTINA: Behind the diplomatic doubletalk in Buenos Aires, what was really accomplished at the Inter American Economic Conference?

BUSINESS: Hounded by market-hungry competition from abroad, U.S. business is awakening to the facts of enlightened salesmanship in Latin America.

MEXICO: Closeup of Mario Moreno . . . serious, enterprising off-screen personality of famed comedian Cantinflas.

MILITARY'S ROLE: HERO OR VILLAIN?



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OUTLOOK

HEMISPHERE

. . . Recent developments in United States foreign aid policy indicate that the government is stepping up pressure on underdeveloped countries to slacken the grip of state ownership in certain jealously-guarded nationalistic fields of investment, and to open up these fields to private enterprise, if they expect the help of the all-important dollar.

This attitude was made clear at the Buenos Aires economic conference when Secretary of the Treasury Robert B. Anderson dashed Latin American hopes for a Western Hemisphere development bank financed in large part by the United States. He said there are enough existing credit institutions to finance development. The Secretary cited "positive results" of private investment, placed the flow of private capital into Latin America in the past two-and-a-quarter years at $1,400,000,000.

Hardly had delegates returned home from Buenos Aires when hard-headed U. S. insistence on private investment again asserted itself. The International Cooperation Administration, which handles the foreign aid program, announced that government aid would no longer be forthcoming to finance state-owned industry and mining. Although the announcement came from the ICA, it made clear that the "new policy" would apply to other agencies, such as the Export-Import Bank as well.

The policy permits certain exceptions for projects normally owned and financed by the state in fields where private capital is not available. For manufacturing and extractive industries such as mining, the policy will be to encourage and assist development by private enterprise. The effect may tend to force countries such as Brazil, which urgently needs outside capital to develop its state-owned petroleum industry, to liberalize its laws to permit private investment in this field, if it is to get United States financial aid.

ICA officials were quick to emphasize that, "We're not trying to make other countries change their ways, though we feel they'd make out better if they went the route of private industry." Nevertheless, the new policy is apt to create considerable resentment among countries which believe that big development projects are better handled under state ownership. Admittedly, there is considerable opposition within the United States government to the new policy, but it is expected to stand regardless.

John C. Dreier, United States Ambassador to the Organization of American States, emphasized before a session of that body, "the necessity of relying on private capital as the main source for . . . . economic development of other American republics". He noted that in 1956 U. S. private investment in Latin America totaled $800 million and rejected "disparaging allusions" by OAS representatives to the record of private investment. Dreier warned that if Latin countries fail to attract private investment, "there are no grounds for assuming that there are other sources of wealth in the United States that can readily make up the difference."

The self-styled "new policy" is not really radically new. In the past the foreign aid agency has operated under instructions to promote private capital investment wherever possible, but this policy has not always been diligently pursued. The United States has financed a number of state-owned manufacturing and extractive industries in other countries. There will no doubt continue to be exceptions to the rule, but there will probably be much more intensive screening of proposals to finance state-owned industry, and probably much less frequent approval. There is another line of thought in Washington, that all the hullabaloo over the "new policy" is designed to placate Congress, and that in practice the directive will not much change things.

But this is merely one line of thought. Others see an exciting new experiment being born. Previous foreign aid bills had only paid lip service to free enterprise, but the latest foreign aid legislation provides for setting up a Development Loan Fund expressly "to encourage competitive free enterprise" abroad. Under the new arrangement, instead of handing foreign aid funds over to foreign governments to administer as they wish, it is now possible to loan directly to worthy loan possibilities among private businessmen unable to get credit in their own countries or from U. S. banks. The new ICA administrator, James Smith, may loan directly to foreign business, guarantee bank loans to a foreign business, or buy the bonds of foreign business for later resale to private investors after the enterprise has proven itself sound.

A great many people will be watching after the smoke has cleared, to see whether the new approach forces any more favorable investment climate for private enterprise in fields hitherto reserved for the state in some countries; to see also if the new experiment does not show doubting Gomezes the values of a successful free-enterprise system.

. . . Latin American countries, together with other underdeveloped countries of the world, complained at the World Bank annual meeting in Washington that major economic changes of the past year all had worked against them. Speakers for the underdeveloped nations reeled off an impressive list of developments detrimental to the economies of their countries:

Much of the trouble was laid to the door of inflation which faces most of the Western World. Inflation has led most of the industrial countries to adopt tight money policies which have curbed demand and driven down prices of raw materials exported by underdeveloped countries.

At the same time, prices of machinery and finished goods for export by the industrial nations have risen sharply to further worsen terms of trade for the underdeveloped countries.

The enormous pace of expansion in the industrial nations themselves has soaked up most of the world's savings and capital, leaving little for investment in the underdeveloped nations.

The big increase in world trade has come about largely between the various industrial nations, rather than between the industrial countries and the underdeveloped countries.

In view of world-wide inflationary trends, the situation shows no signs of alleviation in the near future. But speaking for the United States, Deputy Under Secretary of State C. Douglas Dillon, conceded that "the rate of development in many large and important areas of the world has not yet reached levels which can be regarded with equanimity;" urged the bank "to explore with all its energy the opportunities for lending in the territories of all its members."

ARGENTINA

. . . Three Septembers ago the people rose up and disposed of the dictator (at least for the time being), but the trappings he left behind in Argentina are a different story. The throne is empty, and before it, the heavy boots of dictatorship. But will they remain empty much longer?

The forces of liberation, personified by the provisional government of Pedro Aramburu, still mount a wary guard. But there are certain elements who look hungrily over the shoulders of this guard, at the idle trappings of dictatorship, and bide their time. There is Perón himself, who looks on from a safe distance, and drags bait before discontented former followers. There are other elements who eye the empty trappings out of personal greed. And there are forces who might be tempted to take them up, perhaps much against their will, out of necessity.

Precariously suspended between these forces, the masses of middle-of-the-road Argentines look on in helpless indecision as their country, once the strongest power in South America, is dragged down to the position of a second-class nation. Unfortunately, even those who see what is happening, are too divided among themselves and too lacking in unity of purpose to stem the tide. And so they blind themselves to onrushing disaster and fiddle while Argentina burns, by indulging in an orgy of political squabbling, recriminations and self pity.

President Aramburu, attempting shock treatment, told the nation that it was living "morally and materially 30 years behind the times." Argentina, he said, is trapped "in a vicious circle" with most of her people living in self-deception. But the shock produced was only a momentary chill. Because the people want to believe in a more optimistic outlook, they continue to ignore realities. Because their leaders are looking to the vote, they cater to the optimistic delusions of the masses and hesitate to face up to the issues. Meanwhile, the nation continues its downhill race toward complete bankruptcy at a runaway pace.

Meeting at Sante Fe, Argentina's Constituent Assembly, after weeks of quibbling debates about the past which caused one newspaper to dub it "the most diverting soap opera of the week," finally approved the 1853 Constitution as the law of the land, thus abrogating Peron's 1949 Constitution. But even this came about only after five labor party delegates had joined 75 Intransigent Radicals in bolting the Assembly.

The main immediate problem is seething discontent among the working classes. Aramburu's answer to labor discontent has been to appeal for austerity and to attempt to hold the line. But some of the blame for the present situation must be taken by his government for failing to hold the price line and permitting the cost of living to rise 20 percent in the past year. He had promised that ceilings would remain static on essential consumer goods, but during the past few months ceiling prices on such items as bread, butter, meat, wine and other necessities, were broken. His government adopted a vacilating, contradictory policy by removing some state controls while retaining others, and thereby reaped the evils of both. As a result both workers and employers have become dissatisfied. Serious-minded observers are of the opinion that there is now no avoiding yet another shove to the wheel of inflation —that workers will be satisfied with nothing less than a blanket wage increase to cover the cost of living rise.

In spite of steadily worsening conditions, and the rumblings of another coup d'etat in the making, President Aramburu holds steadfastly to his plans to hold national elections next February 23 and to hand over the nation's government on May 1. He has discounted rumors of counter-revolutionary plots. He admits that there are some "ambitious personalities" in Argentina, but "realizing those ambitions is something else". Nevertheless, there are strong elements, perhaps even in the provisional government itself, who believe the liberating revolution has not yet accomplished its purpose. The leader of one such determined group has declared that, "We have only washed the face of the putrefaction accumulated by the overthrown regime. The overthrow of tyranny was not the liberating revolution's only objective. The fundamental objective was to remove the causes which made possible a dictatorship." There are evidences, too numerous to ignore, that these elements may not be content to hand over the government until these aims have been achieved, and on the face of things, this may not come about without the strong hand of dictatorship, however unwanted.

BRAZIL

. . . Still clinging to state exploitation of its oil reserves, Brazil has taken a reverse stand on its iron ore deposits, opened them up to foreign buyers. Now producing less than one percent of the world's iron ore, the country's big obstacle to increased production has been lack of transportation to the sea. To overcome this obstacle the government has solicited bids from Germany, Japan, Poland and the United States. Representatives of at least three of these nations have expressed interest in building railroads from the reserves in Minas Gerais State to the sea, and a German syndicate has presented plans to build a railroad and port facilities as well.

The Polish government has offered a similar plan but also including construction of a steel mill. Kaiser Engineers International, of the United States, is studying the best means of transportation and seaport location, and a Cleveland firm is interested in buying an interest in Brazilian mining enterprises. The Japanese have offered to improve existing facilities.

Conclusion of a successful working arrangement in iron ore may lead to eventual loosening of regulations to permit foreign investment to participate in the development of petroleum resources in Brazil.

FACING REALITIES

Every now and again we receive in the mail letters which tend to disprove some popular notions which we have accepted almost as truth. For example it has always been my feeling that the farm belts of the United States represented the areas of greatest isolationism. We had no quarrel with this because we felt we could understand why a farmer in Idaho, or Wisconsin or Georgia would be more interested in crops than in international affairs.

In our July issue the writers of our Washington letter touched on the issue of establishing a tariff on imported lead and zinc. The move to establish the tariff concerned us on the magazine and we felt that foreign traders also would be concerned. One thing was definite—we never felt that the great American farm belt would be in the least disturbed over the proposed tariff.

And that is exactly where we were so wrong. In the mail came a letter from George J. Dietz, Director of International Affairs for the American Farm Bureau Federation, the largest farm organization in the United States. Mr. Dietz revealed he had written in protest to Rep. Jere Cooper, Chairman of the House Committee which at the time was considering the measure. Then Mr. Dietz explained the reason for his action in this way:

> "We feel that if the American farmer is going to continue to export United States agricultural items, we must allow our customers the right to earn dollars in the United States."

Those words by Mr. Dietz represent realistic thinking—thinking in the pattern of an internationalist, certainly not that of an isolationist or a protectionist.

William G. Gaudet

PUBLISHER

MEMBER, INTER AMERICAN PRESS ASSOCIATION

THIS MONTH'S COVER: Ringside seat for the eruptive performance of Izalco, El Salvador's active volcano, fondly termed "The Lighthouse of the Pacific." (Courtesy of El Salvador Tourist Commission.)

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LETTERS

A Critical Analysis

Dear Sir:

I have read through the issues of your magazine with interest, because I believe that there is a vital need in the popular field for a sober but not dull publication devoted to Latin American affairs. I confess that I have been disappointed in the LATIN AMERICAN REPORT.

Generally, I think that your writers feel compelled to enthuse uncritically over whatever it is they have as subject. In the June issue's piece on Haya de la Torre, for example, the reader comes away with the feeling that he is some sort of great white hope of Peru, unjustly denied his rightful place in that country for too many years. This may be perfectly true but apparently a good many Peruvians have rejected Haya, according to the article, so that the question of his stature or rightful place becomes quite controversial.

In the second paragraph of this article, Lima is described as "seething," as otherwise "normally unruffled," and in some quarters as beset with "jittery concern." If you know Lima you understand that it is a complex city and not easily generalized upon, especially in that which concerns politics. If you have stood on a street corner watching a mob prepare to attack an opposition newspaper while the onlookers joked, laughed and consumed snacks you were probably in Lima. Because of this I find the adjectives used by your writer misleading and untrue.

This writer also notes that Haya's political philosophy was a "curious combination of intellectual idealism and hunger-banishing practicality." Why "curious"? Haya's speeches contain the standard fare served up by Latin American reformers, occasionally dressed up with fuzzy metaphysical adornments. In the next sentence of the article your writer reports that Haya called for nationalization of the land and industry. Is this what is meant by "hunger-banishing practicality?" It may be for some but hardly for all. Perhaps your writer's own social philosophy led him astray here; or perhaps this is merely a consequence of having to approve of that about which one writes.

I think too that such statements as: "Every inch of their socialistic way the *apristas* met the mounting resistance of their traditional opponents" should be carefully qualified. Large segments of the middle and working classes regarded APRA as poisonous, reckless and dangerous.

Another way of putting my general complaint is that your writers take up but one side of every issue as if they were writing advertisements rather than assessments. Again in the June issue, in the interview with Hernán Siles Zuazo, the statement is made that: "According to a recent poll, the country was 95 percent behind Siles. . . ." Whose poll? How taken? Ninety-five percent of *all* Bolivians? What happened to the Socialist Falange then?

Siles is represented as a man of moderation, which he is, but surely his party is not, and his presence has not eleminated innumerable murders, scenes of torture or concentration camps for the opposition. The MNR's activities after 1952 are recorded and well documented in *Un pueblo en la Cruz* by Alberto Osteria Gutierrez. With regard to Siles and the party, I think that one of its most interesting aspects is the mixture of traditionalists socialists, Marxists and communists who make up the MNR. The left activities of the party, particularly, must be of interest to American readers, but no inkling of this appears in the appended biography if Siles. The MNR is really something more than a case of "nationalism (having) flowered into a full-fledged party."

Like Haya, Siles may be a great white hope, but I wish that the article in question didn't have the tone of having been written on Madison Avenue to sell Siles.

It may be that you, as publisher, have a particular social philosophy yourself which you feel is most appropriate to Latin American countries and that these near raves for Haya and Siles-MNR are a reflection of this. If so, then I am criticizing your writers unfairly.

In any case, to summarize my criticisms of the REPORT, I would say that I think any magazine can be lively and provocative and appeal to a popular audience without recourse to half-truths, overly vivid writing and suspension of the writer's critical faculties. The ECONOMIST is one of the best written and least stodgy weeklies in the world, yet its topic can hardly be called intrinsically exciting. Its articles are carefully researched or closely reported, examine both sides of an issue or personality, deal in cool interpretations of hot issues, and its leading article always states the magazine's preferences on fundamental and controversial points.

I think Latin America deserves the best a magazine can give it and the best kind of magazine, and that there is a large readership which would subscribe to a journal which has these aims in mind. I don't really feel that materials have to be jazzed up to sell copies. If they are sound in themselves and presented in an interesting fashion, they will be read.

Charles R. Temple
Madrid, Spain

All the Answers

Dear Sir:

One of the first things called to my attention upon my return from Central America was the article on the OAS in the June issue of LATIN AMERICAN REPORT . . . I feel the author is to be congratulated on his lively presentation of the entire OAS story so succinctly.

In short, here in one piece we have all the answers to the questions we are asked every day by the man in the street about the OAS. It will certainly be a pleasure from now on to refer queries about the OAS to the June issue . . . . best wishes for your continued success in promoting inter-American relations so effectively.

Alejandro Orfila
Director of Public Relations
Pan American Union
Washington

Fair and Objective

Dear Sir:

. . . June issue of LATIN AMERICAN REPORT which contained your very fair and objective article based on the interviews you did on our meeting at Biloxi. I think a better understanding of the entire problem (of oil import curbs) . . . is encouraged by the manner in which you people approached this subject.

Lloyd N. Unsell
Independent Petroleum Association of America

Dear Sir:

I certainly think you presented the problems (of oil import curbs) in a most objective manner.

Robert L. Wood
President
Independent Petroleum Association of America

WASHINGTON LETTER

September, 1957
Washington, D. C.

ECONOMICS, NOT POLITICS, WORRY WASHINGTON

Those lights burning late in offices of United States government agencies having to do with Latin American affairs can be attributed to economic problems, rather than political.

No official statements are being made, or will be made in the future, but top executives, particularly in State Department, will not deny that they are concerned over the economic trend during the past several months.

Biggest worry centers in those countries of Latin America with a one-crop economy. Coffee producing countries come in for some very special attention for many reasons:

THERE IS BRAZIL...

Brazil currently is plagued with its worst inflation trend in months. The cruzeiro-dollar rate is far from stable....and yet, despite this, there is a strong undercurrent on the part of labor to demand even higher wages. The full extent of the wage demands will not be granted...that is certain...and yet e qually certain is the indication that some concessions simply will have to be made.

That, in turn, means another notch upward on the inflationary spiral;

COLOMBIA...

Colombia also is having its share of economic problems: unemployment is increasing...government spending is such that the budget still remains unbalanced...and dollar earnings have not increased very substantially. A sharp increase in the price of coffee, coupled with accelerated exports, could help, but by all odds the going is certain to be very rough during the next few months;

BOLIVIA...

Bolivia, in a different way, is causing concern. Spearheaded by Rhode Island's Senator Green, an investigation into United States economic policies in Bolivia is certain to cause much embarrassment---both in the United States and in Bolivia. Outwardly, the argument is over Bolivia's method of compensating for the tin mines, which had been expropriated by the government and then nationalized.

But the probe into this aspect of United States-Bolivian relations, if pushed deeply enough, may cause some well-known Washington figures--identified with the Eisenhower administration--extreme embarrassment. Fact is, ever since the United States government first extended its "helping hand" to the Bolivian government there have been rumors and reports of top United States officials getting into the situation, money-wise. Not too well publicized is the fact that ex-Truman cronies also may be involved in the not too Simon-pure business relations.

Some quarters believe that since both top Democrats and Republicans have at one time or another been involved in the Bolivian situation, the investigation--if ever started--will not be pushed too far;

ARGENTINA...

Argentina also is having its share of economic woes. Much of the trouble can be traced to some of the old Peronist die-hards who still envision the day when Juan Domingo Peron will return on his white horse to once again take over at Casa Rosada. The Peronists, however, are not the only ones causing problems for the Aramburu regime. Other

presidential hopefuls, in opposition political camps, are aiding and abetting labor leaders in the rash of wildcat strikes which have struck at all aspects of Argentina's economic life.

Real problem for Aramburu is that he is sincerely working on a program, and actually following a program, which he believes will lead Argentina out of economic distress into some economic stability. The biggest problem he faces is this: The Peron regime paid a premium on non-productivity of labor; Aramburu wants to pay a premium for productivity. That means he wants the worker to return to work. Thus, it is not the wage set-up, or inflation, or shortage of foodstuffs, that is back of all the trouble. It is just that he wants the Argentine laborer to start producing again.

CHILE...

Chile has been sleeping fitfully these past several years through a nightmare of inflation. Government efforts to contain the runaway economy have met with only slight success (cost of living up 37 percent last year, compared with 88 percent in 1955). This slowing of the skyrocketing cost of living came about in great part through government support of the Klein-Saks Mission's recommendations for austerity.

But the people are fed up with austerity and there is a growing clamor for dismissal of the United States team of economic advisors. With Chilean officials facing elections next year, there is little official appetite for more belt-tightening measures. Meanwhile, Chile's worsening economic woes add more furrows to the brows of Washington officials having to do with Latin American affairs.

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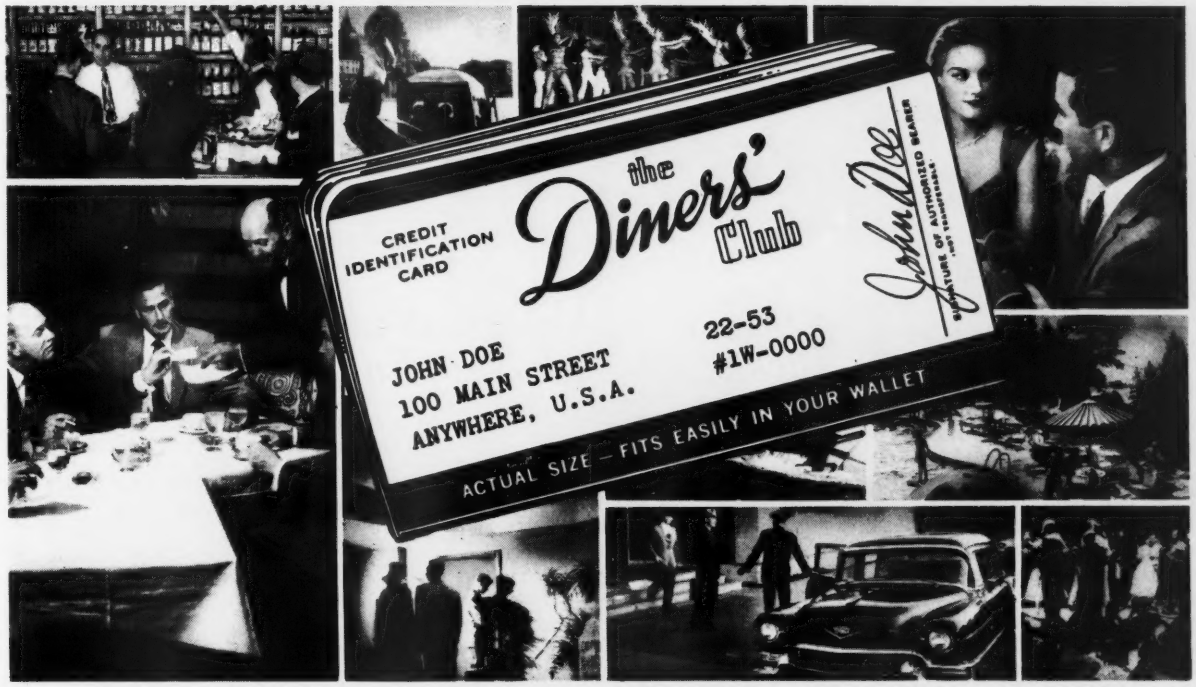
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What happened at Buenos Aires?

Behind the diplomatic double talk, A back-stage understanding of views

William G. Gaudet, publisher of *Latin American Report*, on the spot in Buenos Aires for the meeting of the Ministers of Finance of the Americas, evaluates what he believes was accomplished at the Conference which started in August and finished in September.

August in Buenos Aires is not one of Argentina's most cheerful months. It is winter and spring is many weeks away. The days sometimes are bright and clear but the evenings are cold and windy. This was the atmosphere that faced those hundreds of delegates from 20 American republics (only Venezuela was not represented) who attended the Economic Conference held under general supervision of the Organization of American States.

In the lobby of the Plaza Hotel one evening, José R. Chiriboga, Ecuadorian Ambassador to the United States and a delegate to the Conference, braced himself for the cold, blustery winds that outside swept in off the Rio Plata. Those around Chiriboga were asking him how the Conference seemed to be going. From all outward appearances, it was not good. That very day Secretary of the Treasury Robert B. Anderson, chief United States delegate, had blasted hopes for a new Inter-American Bank and for greater loans. In blunt, crisp language Anderson made known the United States' position:

—No Inter-American Bank;

—No whopping big new loans;

—No blanket O. K. on any sweeping economic declaration;

—Firm reiteration of the belief that the American States should rely more on private investment than on official dollars from the United States.

The atmosphere at the Conference that day, and in the lobbies of the hotels where delegates clustered, was as cold as the wintry winds outside. Yet Chiriboga smiled. "I think," he said, "that great progress is being made and will be made at this Conference."

The Ambassador tucked his coat closer about him. However, it was not the wind and the cold that was on his mind, but events that had unfolded in the conference rooms that day. "It all depends," Chiriboga continued, "on why a delegate came to this Conference. If his aim was to pressure the United States into granting more and bigger loans, then today's statement by Secretary Anderson that no blank check will be forthcoming, may have dashed his hopes. But if we have come here to exchange ideas and to get to know the real thinking of delegates as opposed to public thinking, then progress is being made."

r-American Economic Conference Opens at Buenos Aires . . . Argentine President Pedro mburu (center), flanked on his right by Isaac Rojas, on his left by Dr. Jose Mora, OAS head; Dr. Adelberto Krieger Vasena, Argentine Finance Minister



FROM WORDS TO DEEDS. That had been at the beginning. Then after many days at the conference tables, delegates approved a set of morally binding resolutions that will be known as the Economic Declaration of Buenos Aires. This document:

—Endorsed the idea of a Latin American common market, comparable to the proposed European common market, and provided for plans and studies looking to this goal;

—Called for measures to increase the flow of capital, private and public, to Latin America, and for sounder financial and monetary systems;

—Provided inter-governmental consultations on the problems of raw materials, particularly as to price fluctuations;

—Endorsed closer cooperation with the United Nation's Economic Commission for Latin America.

The words spoken at the Conference were well chosen, the phrases well turned. Yet the man in the street —the driver behind the wheel of an ancient taxi threading through traffic on the slushy streets of Buenos Aires —found it a trifle hard to understand just what the Conference had accomplished; whether all these men gathered in his city had met with real success—or only with failure.

Skies over Buenos Aires were still far from cheering. Bits of ice slashed against window panes, beat out their own particular variety of music. Inside their suites at the Plaza and at the Avila Plaza, delegates mulled over the same big question: Had they come to Buenos Aires in vain—or had something real and tangible been accomplished after all?

That ever-precise Uruguayan, Washington P. Bermudez, head of the OAS' Economic Council, was completely in tune with the weather outside, when he said that Latin America's "full aspirations were left unfulfilled" by the Conference at Buenos Aires.

Far away in the United States, at his vacation headquarters at Newport, President Dwight D. Eisenhower's views on the Conference were more in accord with the New England summer sun in which he basked when he said:

"The delegates from the 21 American countries came with certain honest differences of opinion. But they succeeded, after diligent labors and in their traditional cooperative spirit, in reaching a large measure of agreement on the important economic problems confronting the American States."

In a New Orleans speech, Chilean Ambassador to the United States, Mariano Puga Vega, said that the Conference set unrealistic "Utopian goals" for economic relations between the Americas. "By setting aims too high and too distant, the Conference gave the appearance of failure," the Ambassador said, "whereas the truth is that its goals were beyond reach. It is nothing more than illusion to hope that inter-American economic and social law can be worked out in just a few years."



Heads of United States delegation take their places at Conference . . . Ambassador Willard Beaul (left); C. Douglas Dillon, Deputy Under Secretary of State for Economic Affairs; Gabriel Hauge; and Treasury Secretary Robert B. Anderson (right)

Back down in Buenos Aires again, Brazil's Finance Minister Dr. José María Alkmim asserted that the Conference had at least produced a "deeper understanding of common problems confronting, not one, but all of the American Republics."

Yet it all came back to what Chiriboga had said on the eve of the Conference: That success or failure was contingent not on the Conference itself, but in effect, on the delegates and their reasons for coming to the Conference.

DIPLOMATIC APPROACH. Perhaps the big problem at the Conference was that it was attended by mere human beings. And unfortunately, it would have taken something more than mere human effort at this point, to have come up with a pattern acceptable by all the nations that comprise the Western Hemisphere.

Consider the Buenos Aires cabby with the antiquated taxi. His immediate problem is to acquire a new machine that doesn't stall and buck every time he picks up a fare. The fact that he can have, at prices reasonable even for him, a thick, juicy filet mignon, is overlooked in his thinking. Meanwhile, a fellow cabby in oil-rich Caracas, Venezuela, takes for granted his 1957 taxi, but, finds well beyond his means that juicy Argentine filet mignon. Both these men could recognize success in the Economic Conference if it produced some immediate workable means of satisfying their different needs and wants, distant and varied as they are.

Or consider the delegates themselves—and withhold for them a fair amount of sympathy. The one and only thing they had in common was being part of the system of American States. Before them were terrific differences in political concepts, in economic conditions, cultural background and geographic realities. There was, for instance, the attitude toward profit percentages expected in return for private investment. In the United States a profit margin of eight percent would be considered phenomenally good—in Latin American countries, phenomenally bad. Such contrasts in economic thinking had to be understood. No sweeping set doctrine could possibly be accepted by all countries so far apart in basic economic structure and thought.

It was a great moment for Latin Americans attending the Conference when the big silver airplane carrying U. S. Secretary Anderson touched down at Buenos Aires' modern airport. Headlines shouted: "Latin Americans Hope for New Flow of Dollars." The man with the dollars, presumably, was Anderson. But even as his plane taxied to a stop, Anderson knew that far away in Washington the Congress of the United States was blood-thirstily hacking away at the Administration's

Foreign Aid Program. It was winter in Buenos Aires, and great expectations were in the air; it was summer in Washington, and hatchet men were on the loose. This was the paradox that the Secretary faced on his arrival at the Conference.

POINTS OF VIEW. No one can know the thoughts of Secretary Anderson as he moved to the speaker's chair at the plenary session of the Economic Conference. Undoubtedly he knew something of what was expected of him, because, in diplomatic vernacular, he had been "briefed." The briefing undoubtedly did not include the thoughts of the Buenos Aires taxi driver who wanted a new cab, nor those of the Caracas cabby who hungered for the Argentine steak, at Argentine prices. But the Secretary did know something of the desire for a common market that fired the hopes of Latin delegates.

Unquestionably there must be a way to bring the Argentine his new car, the Venezuelan his Argentine steak. Free trade, with removal of restrictions, ultimately could produce the desired results. But certainly Anderson was in no position to furnish the formula. Somewhere—beyond, the platitudes and diplomatic double-talk there had to be an in-between—an in-between that denied immediate redress of the situation, but that provided a stepping-stone for future action. Anderson took the only road open to him. Some called his speech blunt, yet in effect, it was simply an enunciation of the political and economic philosophy that made the United States great.

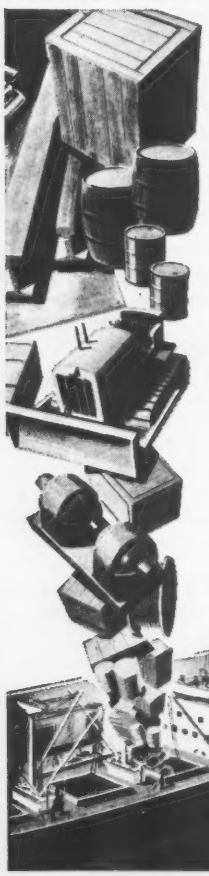


Dr. Adelberto Krieger Vasena, Finance Minister of Argentina, addresses Conference

How could he have explained to the Conference that by elimination of all state barriers it was made possible for the auto manufacturer in Michigan to ship his cars to steak-and-oil-rich Texas, and for Texas to ship oil and beef to New York, and for all to sell at prices the man-in-the-street could afford to pay.

Nor was it any easier for Brazil's top representative, Finance Minister Alkmim, to stand before that impressive audience and criticize the fact that the United States has refused to eliminate double taxation which has hindered flow of private investment capital to Latin American nations, and at the same time justify the fact that his own country was spending over $300 million annually on oil imports, primarily because foreigners were prohibited from exploring and exploiting Brazilian reserves. So he too had to resort to a speech, not necessarily in keeping with his own thinking, but more in keeping with the thought of his countrymen.

In the final analysis, it was not so much what was said in public at the Conference that counts, as that which was left unsaid—and which was talked of in private. In the end, it will be what each has learned from the other, and has himself given in turn, that will determine the economic future of the Americas. To millions of Latin Americans, such well-turned phrases as, "economic declaration of hemispheric solidarity," or "common Latin American market," and "Inter American Bank" are entirely without substance and meaning until their immediate wants are satisfied. This, and only this, can finally determine whether the Buenos Aires Conference, and similar conferences to be held in the future, can be labelled success or failure.



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People IN THE NEWS

Caribbean Plunge: Popular Protestant evangelist Dr. *Billy Graham,* encouraged by the apparent success of his New York City crusade, announced plans for the big plunge into the traditionally Catholic stronghold of Latin America. Scheduled for a visit next January from the dynamic preacher: Jamaica, Puerto Rico, Barbados, Trinidad, Venezuela, Panama, Costa Rica, Guatemala and Mexico. Notably absent from the list is Colombia, where Protestants have suffered governmental restrictions during the past decade. With characteristic Graham up-to-date efficiency, groundbreaking operations before the master missionary's actual appearance will be spearheaded by a wedge of his associates. A Graham Caribbean headquarters already is in operation in San José, Costa Rica, and Graham spade workers will precede their leader with an intensive program of evangelism.



Billy Graham

For globe-girdling Billy Graham, this new venture will not be entirely novel. Already behind him are extensive proselytizing junkets in Europe (1955) and the Orient (1956).

Executive Cited: To *Henry B. Sargent,* president of American and Foreign Power Company, goes the 1956 Thomas F. Cunningham award for "outstanding services to the betterment of inter-American relations." In New Orleans for the opening of a Chilean exhibit sponsored by the Chilean subsidiary of his company, Sargent accepted the award in person. The power executive was singled out for the honor, according to the citations, because he "has given leadership to a great power expansion program in Latin America which is bringing material progress and benefits to mankind, thus strengthening the bonds of friendship, understanding and mutual assistance between our nations."



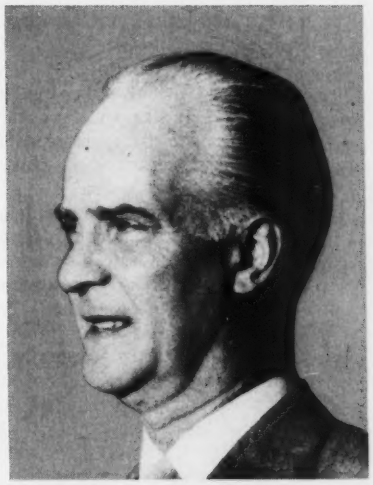
Henry B. Sargent

The speaker making the presentation said that, "Henry Sargent represents the Good Neighbor policy at work," went on to list a four-point program that Sargent has instituted to improve the economies and help develop and promote the countries. served by his company.

Liberal Winner: In what was apparently the freest and least violent elections in a number of years, Honduran voters brought to power the Liberal party headed by Dr. *Ramón Villeda Morales.* Villeda, a physician, won an election three years ago but without the absolute majority required by the Constitution. In the resulting impasse, then Vice President *Julio Lozano Díaz* seized power, forced Villeda into exile. After a military junta overthrew Lozano, Villeda went to Washington as ambassador, returned with many of his leftist ideas moderated.

Sometimes charged with Communist leanings, Villeda has made special efforts during the recent campaign to belie these accusations, has advocated closer ties with the United States, harped on Honduran dependence on the United States for loans and investments. Most interesting campaign promise: a government of men of all parties on a basis of capability rather than political partisanship.

A Doctor For Haiti: Like elections in Honduras, voting in Haiti, also junta sponsored, was notably free of violence, produced an apparent winner who also is a physician with liberal views. Mild-mannered, 48-year-old Dr. *Francois Duvalier* rolled up impressive victories in the countryside, but trailed his nearest opponent, planter Louis Dejoie, in the Port-au-Prince vote. Unlike Honduras, the Haitian voting left in its wake charges of fraud and vote-rigging, left also an atmosphere of political uncertainty and insecurity. The hard-working doctor, who has put years of effort into eradication of yaws among his poverty stricken countrymen, announced that he would seek the help of a United States fiscal expert to clean up near-bankrupt Haiti's financial mess. Duvalier is believed to have the support of the ruling junta, but because of unrest among the masses in the city the question looms whether his election will bring peaceful civil government to troubled Haiti.



Mariano Puga Vega

Utopian Aims. Chilean Ambassador to the United States, *Mariano Puga Vega,* in New Orleans for the opening of a 60-day exhibit featuring his country, made some pertinent comments concerning the economic conference at Buenos Aires. Ambassador Puga characterized the goals for economic and social relations between the American nations, set by the conference , as "unrealistic" and "Utopian."

"By setting aims too high and too distant," the Ambassador said, "the conference gave the appearance of failure, whereas the truth is that its goals were beyond reach."

El Salvador

the Jeweled Land

Some of the earliest travelers down the Central American isthmus were Mexican Indians, fleeing warfare and turmoil which had upset their lives at home. Months of arduous trekking finally brought them upon a peaceful land of soft, green valleys, mountain ridges bisected by deep gorges, lofty volcanos, clear highland lakes and countless streams. Beneath their tired feet the soil was rich and fertile. In awe and gratitude the migrating Indians looked upon their discovery and called it Cuzcatlán—The Jeweled Land.

Today this territory is officially known as El Salvador, but its inhabitants still like to think of it as Cuzcatlán, for the same reasons that those early settlers did—plus some twentieth century ones.

Wedged between Guatemala and Honduras on the Pacific coast this smallest of the Central American nations (no larger than Massachusetts and Connecticut combined), nevertheless can claim some mighty big accomplishments. In economics, transportation, education and social welfare El Salvador has made impressive strides, in many cases setting a worthwhile example for its sister republics. El Salvador's currency has been rock-steady since 1934 when the *colón* was fixed at two-and-a-half to the dollar. Its foreign credit is outstanding and no internal debt has existed since 1946. For the past seven years the government has operated well within its budget, even producing a surplus which has gone in part toward paying off the national debt. A favorable balance of trade has been maintained at least since 1950.

One of the best road systems in Central America belongs to El Salvador. This country was the first in that area to complete (in 1945) its portion of the Inter-American highway, which runs the full length of the country—174 miles—from Guatemala to Honduras. About halfway on its course it spans El Salvador's main river, the Lempa, over handsome Cuzcatlán bridge, longest suspension bridge in Central America. A second arterial route, the Pacific coastal highway costing some $23 million, should be completed by mid-1958. This fine network of roads reaching into the productive regions of the whole country, accounts in great part for El Salvador's comparatively high level of economic development.



Land of verdant valleys and lowering peaks

BOOSTED POWER. Largest slice of the Salvadorean budget goes to two ministries: Education and Public Works. One result of this fiscal emphasis: notable attainments in public welfare, including a literacy level rated second highest among Central American countries (first: Costa Rica), and a sharp decline in the past few years of a number of death-dealing diseases, particularly malaria.

One of El Salvador's proudest public works accomplishments is the impressive *Cinco de Noviembre* dam. Straddling the Lempa river about 35 miles northeast of San Salvador, this hydroelectric station now generates 45,000 kilowatts of electricity for a power-hungry El Salvador. The installation of two additional turbines can bring the station's output up to its maximum capacity of 75,000 kilowatts. *Cinco de Noviembre* cost some $18 million, partially financed through a loan from the International Bank. Its completion in 1954 went a long way toward curing the country's chronic shortage of power.

To insure itself against a recurrence of that energy deficiency, El Salvador has undertaken another ambitious project, one with a two-fold purpose. Lake Guija, on the Salvadorean-Guatemalan boundry, is a source of water for the Lempa river. By damming the lake's outlet into the Lempa, an adequate supply of water is guaranteed to keep the *Cinco de Noviembre* dam in



Pride, and power source of a developing nation: 5 de Noviembre Dam

operation, even during the six-month dry season. Completion of the dam on Lake Guija, at a cost of little more than $2.4 million, has just been announced. Next step now is the installation of two generating plants on the new dam with a combined capacity of 45,000 kilowatts. When totally completed, the Guija project will have cost $9,200,000, about half of which is being financed locally.

BUSINESS APPEAL. These are some of El Salvador's activities which please the native and impress the foreigner. The Guija undertaking involves a good portion of domestic capital. The newly finished dam was built entirely by Salvadorean engineers. Most of the capital subscribed for a new luxury hotel in the capital city of San Salvador has come from local investors. All these clues point to the emergence of a new—and for Latin America, novel—attitude toward investments. It reveals a confidence in the future of the country and a local willingness to risk a little more on the promise of that future. Many businessmen, not only from the United States but from other countries, regard El Salvador as a favorite country in which to do business. "There's a brisk and efficient outlook toward business transactions in El Salvador," a Chicago businessman said recently. Such a characteristic would appeal understandably to the usually brisk and efficient North American businessman.

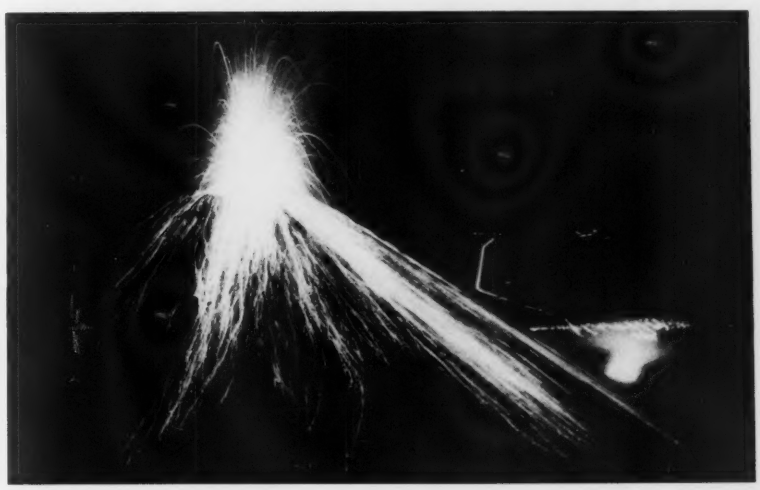
Perhaps a chief factor generating the growing confidence in El Salvador's economy is the healthy political complexion. But it hasn't always been like this. Since it became an independent nation in 1821, El Salvador has had a turbulent political history—a history as eruptive as the volcano-studded Salvadorean landscape.

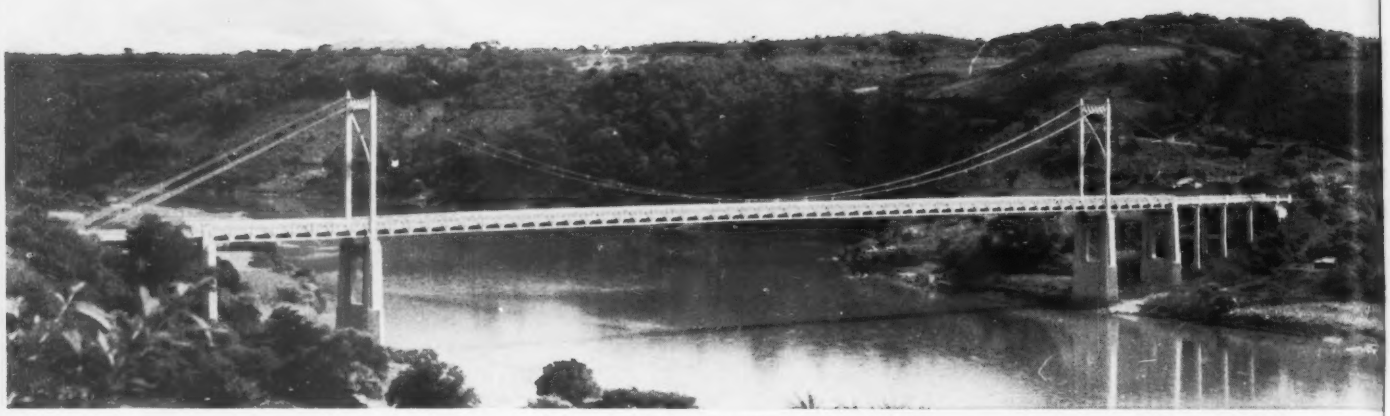
Nursing on individual ambition and mass discontent, strife and warfare quickly grew up to be strapping lads in El Salvador. When not having its own internal armed conflict, El Salvador was struggling with one of its newborn, equally pugnacious neighbors. During its first 80 years of independent life, the little country had no less than 35 chiefs of state. Many succeeded in retaining their posts for only a few months.

But maturity and stability began creeping into Salvadorean politics by the turn of the century. Three presidents in succession served out their full four-year constitutional terms. Then in 1913 began the oligarchical rule of the Meléndez-Quiñonez family, one of whose members ruled either as provisional or elected president until 1927. Although these were times when democratic processes were playing something of a wallflower role, comparative political tranquility encouraged progress of another kind. Impressive advances in economic development, in communications and transportation were accomplished. El Salvador began to catch up with the times. Gradually, however, dissatisfaction and unrest undermined the Melendez-Quiñónez combination. After it toppled in 1927 the usual period of uncertainty and power-grabbing followed. It lasted four years, until a strong-willed, purposeful Army general, Maximiliano H. Martínez, laid his hands on the government reins. He managed to hold them firmly in his oppressive fist for 13 years. And his administration launched the still-continuing cycle of military-presidents.

It was the people who finally forced Martínez out. Salvadoreans of all walks of life—laborers, grocers, businessmen, clerks, government workers —quietly laid down their tools and

Izalco's spectacular performance rates rave notices





Cuzcatlan bridge—vital link in the Pan American Highway

closed their shops. They were united as never before in a passive strike, *la huelga de los brazos caidos* (strike of the lifeless arms). El Salvador ground to a halt. All services were suspended; no busses moved, shops and cafes were padlocked, and even the hospitals were unattended. In the streets of San Salvador grimly silent throngs gathered in passive protest at Martínez' attempt to extend his regime.

THE NEW MILITARY. The strikers made their point and Martínez eventually fled into exile. After a brief interim government a general election brought victory to another general, Salvador Castañeda Castro. But his regime also ended in a coup, this time at the hands of his fellow officers. The revolution of 1948 in a way ushered in a new political era in Salvadorean affairs. It saw the younger officers asserting themselves to control the army and the emergence of the Revolutionary Party of Democratic Unification (PRUD).

A joint military and civilian junta ruled El Salvador during those first two years after the revolution of 1948. Victor in the general election called in 1950 was Lieutenant Colonel Oscar Osorio, one of the leaders in the military uprising and a member of the governing junta. Last year, after a quiet, full six-year term dis-

Mild mountain coffee, mainstay of El Salvador's economy



Myriad goods overflow stalls in a San Salvador curbstone market . . .



tinguished by some commendable accomplishments (including the *Cinco de Noviembre* hydroelectric project), President Osorio turned over his presidential sash to a fellow officer and fellow member of PRUD, Lieutenant Colonel José María Lemus.

Lemus, a career officer of 46, worked his way up through the ranks. The son of an impoverished school teacher from La Unión, he entered the National Guard after a hard life as a youngster. Later he was admitted to the Military Academy in San Salvador from which he graduated at the head of his class in 1933. Of medium height and plumpish, the young officer worked closely with the PRUD and served as Minister of Interior in the government of his predecessor, President Osorio. His election, however, was not without unrest and discontent. Shortly before election day the candidates of the opposition, who had been charging the government with rampant graft, withdrew from the contest. They asserted that the incumbent regime would not permit honest polling. On election day Lemus won unopposed.

FRIENDLY ACTS. In his inaugural speech, Lemus took note of this political antagonism. One of his first acts to counteract it and thus restore a semblance of harmony to the scene was to appoint members of the opposition into his government. Later he called a meeting with opposition candidates to enlist their cooperation for the welfare of the nation. He also declared a general amnesty, permitting all political exiles to return home. His program of conciliation met with immediate success and set a proper stage for the President's other policies.

These policies in general have tended to follow the middle-of-the-road course set by the previous administration. Emphasis has been placed on public works and education, improving workers' conditions and diversifying the nation's economy. Lemus has added to this a plan of limited austerity to halt the country's moderate case of inflation. Coupled with this is a program to attract foreign capital and encourage development of domestic industry. Such an assignment in part falls to the recently activated Salvadorean Institute to Promote Production. Operating on a five-year-plan basis, this government organization, composed of representatives of various areas of production, hopes to boost the country's development by means of assistance in financing, research and technology.

Salvador's push to diversify its economy stems from a realization that dependence on a single crop—coffee—as its almost exclusive source of income is basically unhealthy. Despite its diminutive size, Salvador's production of coffee is second only to Brazil and Colombia, the two coffee giants of the Hemisphere. A large proportion of El Salvador's 2,000,000 inhabitants work on coffee plantations spread over nearly three-fourths of the nation's cultivated lands. With such concentration on cultivation of this crop, it is easily seen why average production for the past five years works out to an impressive 76,000 tons. The bulk of this is exported (71,800 tons in 1955), to bring in about 85 percent of the country's entire income.

Even the coffee industry is feeling the drive for diversification. Means are being sought to lessen dependence on exports of the raw bean. Last year an instant-coffee factory capitalized at $1,300,000 went into operation. Expectation is that eventually this plant will be able to convert about 3000 tons of coffee beans into instant coffee. A new Salvadorean Institute of Coffee Investigation, with a yearly budget of $120,000, also went into operation last year. Its purpose: "To further the improvement of the cultivation and industrialization of coffee, with a basis of scientific investigations that may permit the technical guidance of the coffee-producing areas of the country."

. . . from religious relics . . .



. . . to reading material







Among the earthquake-timid dwellings of old San Salvador sprout the bold structures of today

FACTORIES & TOURISTS. In the agricultural field, cotton is assuming a more important role. Right now it represents about nine percent of the export income. But in conjunction with the drive to industrialize more, cotton takes on added significance as an essential nourishment for the growing textile industry. A striking development last year was establishment of a $2,400,000 textile manufacturing enterprise. This was just one of an additional 39 new industrial undertakings begun during 1956, representing an aggregate capital investment of nearly $10 million. To keep up this brisk pace—and accelerate it if possible—Salvadorean laws now grant protection and numerous incentives to domestic and foreign capital alike; and negotiations are underway to reach an understanding with the United States on the discouraging question of double taxation.

El Salvador is also awakening to the tremendous potential of another industry: tourism. The government has under study a proposal to attract more tourists to El Salvador by facilitating their entry into the country, particularly when they start driving down the Pan American highway. Already the National Tourist Bureau is stepping up its promotional activities abroad. Handsome four-color posters displaying some of the natural attractions of El Salvador have made their appearance in various cities in the United States.

What are some of the tourist attractions of El Salvador?

Perhaps this little country's greatest natural attraction and one which has become the land's trademark is the formidable volcano Izalco. Raising its fiery head 5000 feet over the placid countryside, Izalco puts on a magnificent show with fascinating regularity. With 10 or 15 minute intervals, Izalco's smouldering crater belches sizzling boulders, flames and smoke skyhigh with appropriate acoustical accompaniment. On Cerro Verde, a tranquil twin peak a mile away, delighted visitors bring picnics and park for the day, often staying long into the evening to witness the Dantian spectacle in its luminous nocturnal performances. So brilliant is Izalco's nighttime anger that miles away on the Pacific, mariners can view the eruptions. Seafarers have dubbed the volcano "Lighthouse of the Pacific."

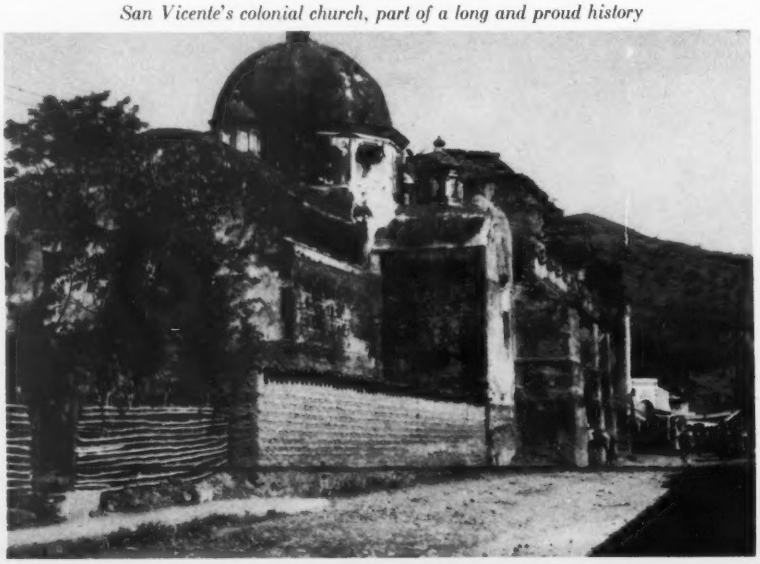
Izalco has many sisters in El Salvador—18 in all—but none so hotheaded. In years past some have had major eruptions, caused severe earthquakes and taken many lives. The worst were those of 1917 in San Salvador; 1936 in San Vicente and most recently, the one which shook the region around Jucuapa and Chinameca in 1951. Over 1400 people died and thousands more were directly affected. Despite the constant threat which this exuberant family of volcanoes poses for Salvador, its people like them and show off with pride their gentle slopes and symmetrical cones. Salvadoreans have learned to live with their volcanoes.

CROSSED CITY. No city could exemplify this better than the capital, San Salvador, which nuzzles cozily in the lap of its namesake sleeping terror. Perhaps in an unconscious gesture of protection, the city has developed in the shape of a cross in its *Valle de las Hamacas* (Valley of the Hammocks).

The older part of town is undistinguished in appearance. It has its plazas and its market places and its churches, but none is especially noteworthy. Due to the subordinate role the city played in the captaincy general during colonial times, and to recurring destructive earthquakes, old San Salvador rated no impressive buildings and developed no architecture of its own. One old landmark in the city is La Merced Church. Here the father of Salvadorean independence, Padre José Matías Delgado, rang out a first cry for freedom from the church's belfry in 1811.

But modern San Salvador is stretching out—and up. Next to the stubby structure of yesterday in the center of town, multi-story buildings of steel and concrete are reaching skyward—

San Vicente's colonial church, part of a long and proud history





A building in a growing San Salvador —a namesake luxury hotel

in defiance of the tremors of the future. And to make room for the near-200,000 population, the city's boundries are pushing north and south into attractive housing projects for the worker and suburban elegance for the well-to-do, complete with shopping centers, supermarkets and drive-in restaurants. For outdoor recreation in town Salvadoreans take advantage of several large parks—Parque Cuzcatlán, Parque Zoológico and the children's Parque Infantil. One of the more delightful parks is *El Campo de Marte,* located on the west side of the city. Its expansive lawns, tennis courts, race track and fields for baseball, basketball and football make it a mecca for the sportsminded of all ages. Another magnet for sports fans is the National Stadium, largest in Central America. Completed in 1935 for the Third Central American and Caribbean Olympic Games, it seats 35,000 spectators and is the scene of numerous athletic events. Its swimming pool opens to the public daily.

Swimming enthusiasts who disdain anything as confining as a pool make it a point to travel to Lake Ilopango, a short 10-mile drive from the capital. The largest body of water entirely within the republic, it has hotels, restaurants and bath houses for the visitor, plus all types of water sports. If a surf is desired, the Salvadorean has only to motor 25 miles down to La Libertad, the country's leading seaside resort. Its pounding Pacific waves and glareless ebony sands result in a startling contrast that jolts the seaside enthusiast accustomed to the usual white sand beach.

SIGHTS WHOLESALE. Equally within short traveling distances from San Salvador are other natural attractions. Balboa Park, at the summit of the *Planes de Rendero,* is lushly vegetated and ornamented with several handsome monuments. Here too there are restaurants, a skating rink and pergolas for quiet enjoyment of the scenery. For scenery, however, *El Gran Mirador,* goes unchallenged. A striking structure not far from Balboa Park, it offers from its terraces a stunning view of the valley of San Salvador, with the city, its neighboring volcanoes and in the distance, Lake Ilopango. Another imposing view is obtained at *La Puerta del Diablo* (The Devil's Door), just beyond the park. Framed by two immense slabs, a composite panorama of Salvadorean geography greets the viewer: green slopes, smoking volcanoes and blue sky stretching down to the coastal plains and off into the distant Pacific. For an unusual bird's eye view of a volcano *El Boquerón* offers some vicarious thrills. An extinct crater of San Salvador, a mile wide and half-a-mile deep, it challenges mountaineers willing to descend to a small cone left by the eruption of 1917. From the northern edge a petrified stream of lava coils for many miles down the slope.

Beyond the hub that is San Salvador, in every direction, lie the towns and villages that share with the capital the traditions and the ambitions of this little country. There to the west is Santa Ana in the heart of a rich agricultural region sheltered by a cordon of tall mountains. Nearby, protected by wooded hills, nestles a rustic lake which the Indians named *Coatepeque*—Eye of the Sea. Not far south from here is Sonsonate, which can look back on a birth date over 400 years ago and claims as its founding father the Spanish conquistador Pedro de Alvarado. To the east lies tiny San Vicente, picturesque and dwarfed by its awesome companion, 7000-foot San Vicente volcano. Old (1623) and colonial, it recalls proudly that once it was the national capital and seated the national university. Not far beyond is a larger neighbor, San Miguel, which has two volcanoes for guardians. And all the way east, on the Gulf of Fonseca, busy La Unión port operates, handling the largest share of El Salvador's foreign trade.

Around and between these and other centers of population rise the mountain ridges, with their endless coffee *fincas,* gentle slopes and emerald valleys; with the rushing streams and quiet lakes—all of nature's gifts to Cuzcatlán, the Jeweled Land.

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Personal Touch to $ SALES

Will the 'New Look' to United States business techniques in Latin America effectively counter competition from abroad?

Mr. United States Businessman leans comfortably back in his plush swivel chair, stretches out his legs under on expansive executive's desk, devotes his attention to a business chart spread before him. As he studies the chart his well-fed face takes on a look of smug self-satisfaction. The chart shows him that in 1955 he sold abroad to Latin American countries goods valued at $3.1 billion. He sees that Latin America was by far his biggest customer abroad, that his sales to Latin America equalled his sales to Asia and Europe combined. The chart shows him still more. He notes that in 1955 his exports to Latin America more than doubled those of his seven closest competitors combined. A pretty picture indeed. He is very smug, very satisfied with himself.

But is it such a pretty picture after all?

He flips a page of the chart, begins to put the figures in their proper light. He notes that from 1950 to 1955 his sales to Latin America jumped a healthy 17 percent. Very good—still smug. But what did the competition do during this period? The smugness begins to fade from his face; a frown takes its place. He sees that while his exports to Latin America went up 17 percent, Japan's ballooned 314 percent, West Germany's sales spurted ahead by 230 percent, the Netherlands' jumped 146 percent, Italy rose 39 percent, Canada's 22, France's 20. He sees something wrong here. Something badly wrong.

Let's take a hypothetical case closer to home—the case of a manufacturer in New York City who has a good customer of long standing in nearby Syracuse. He has never met this customer in person. The man had written to him once a long time ago and placed an order and they had conducted business by correspondence ever since. Only once during that time had the manufacturer bothered to have a sales representative drop around to call on this customer. The salesman dashed in, dashed out, picked up a good order, didn't bother to go back. No need to go back. The volume of sales to the customer had not dropped off; in fact, sales had increased at a healthy, steady pace. This was one customer who could be taken for granted.

Then one day our New York manufacturer is amazed to learn that a supplier all the way across the continent in Los Angeles is making inroads into his sales to the customer in Syracuse, that the competitor's sales are increasing at a rate ten times faster than his own. He wonders why. The Los Angeles firm's product is no better; in fact it may not be quite as good. There is not that much difference in prices. What, then? It must be that the competitor is working harder for sales, that he is using better sales techniques. Maybe the competitor is calling in person on the customer, getting to know him, coming to understand the customer's needs, teaching him new techniques, helping him to overcome his problems.

That is exactly what is happening to us in Latin America today.

A good example of how foreign competition is using this weakness in our sales approach in Latin America to cut into our business there is seen in the case of Japan, which has made the most spectacular gains in recent years. That country's exports of consumer goods are increasing rapidly, but emphasis is shifting to heavy goods and industrial equipment



Martin Lowe, sales executive for the Bostitch Company (right), with Caracas distributors

as well. Japanese industrialists are impressed by a feeling that their investments, machinery and technicians are genuinely wanted in Latin America. And they have gone to special pains to make them wanted. They have seven technical assistance arrangements in Latin America and more planned. The government has set aside funds to give special training to Japanese technicians and immigrants going into Latin America. Their schools teach Spanish and Portuguese and give courses in Latin American customs and business traditions. Teams of specialists are touring Latin America to make detailed and specific studies of the needs of each country. By taking such carefully planned personal interest in Latin American business, foreign industrialists are making deep inroads into our trade with these countries.

EXPORTS TO LATIN AMERICA
(MILLIONS OF DOLLARS)

COUNTRY	1950	1955	% INCREASE
UNITED STATES	$2,661	$3,113	17
WEST GERMANY	158	504	230
FRANCE	213	257	20
CANADA	155	190	22
ITALY	133	184	39
JAPAN	41	170	314
NETHERLANDS	57	140	146

SOURCE: United Nations Statistical Year Book, 1955 Economic Survey of Latin America, 1955

COMPLACENCY. The United States businessman until recently has been satisfied to live by himself, so to speak, in an ivory tower, working and selling in his own medium, while foreign competition moved practically unchallenged into his very backyard. Personal and direct contact, with relatively few exceptions, has been sporadic, to say the least. Far too often the North American businessman has depended solely on correspondence to conduct business with his Latin American distributor, who remained to him little more than a "letterhead.'

Meanwhile, since World War II such internationally famous brand names as Necchi, Olivetti, Volkswagen and Hillman have become household words in Latin America, often have replaced relatively competitive American brands. How did they do it?

The answer is obvious enough to the observant traveler in Latin America these days. He will find the second-rate commercial hotels swarming with men who are neither Latin Americans nor North Americans—bustling men with full brief cases, men with a ready handshake, an eager smile and the continental manner—Italians, Scandinavians, Germans and Japanese. They have come to Latin America offering an endless parade of good products with good prices and long-term credit. But they have come, too, with an eagerness to make friends, with a willingness to understand and a readiness to help. And they have gone away, briefcases filled with orders, to return again *soon*.

Today the U. S. businessman is beginning to wake up. More and more he is rising to meet the challenge. He is doing it in large part through a special kind of salesman called, in business terms, a "foreign field sales executive." He is a "traveling salesman" in the fullest sense of the word—in Mexico City today, in Buenos Aires tomorrow. But he doesn't travel all the time. He has learned to take time to make friends and lend a helping hand—stopping over a week here, two weeks there. In addition to English, he speaks Spanish fluently, and maybe Portuguese. He is a student of practical psychology, well-educated and world-informed. He knows people and likes people, can deal with them on any level. He has one vital responsibility and one chief concern: to represent his company and sell its product. He is management's voice, his company's "sales ambassador."

DRIVE & TACT. Not only is the foreign field sales executive changing the methods of U. S. business firms doing business in the countries to the south of us, but he is doing a lot toward changing business methods of the Latin American distributor as well. He is accomplishing the latter change with all diplomatic deference to the Latin personality and manner of doing things. At the same time that he is building business south of the border, he is making friends and winning respect, and all without stepping on toes. Typical of this new breed of super salesman representing U. S. business in Latin America, is Martin Lowe of the Bostitch Corporation.

The 35-year-old Lowe, young though he is, is an old hand at Latin American sales. As director of promotion in the foreign sales division of his company, which manufactures office and industrial equipment, Lowe has doubled the firm's foreign sales since he began reorganization of his sales staff in Latin America in 1953. The following is a good example of what he was up against at the time he took over.

Soon after assuming his new duties Lowe made a swing through Latin America to assess old distributorships, set up new ones. He recalls a particular situation in a Central American city that was typical of far too many others then existing in that company's Latin American distribution network

The big airliner that took Lowe to Central America settled smoothly onto the airport runway one day, in the murky light of dawn. Lowe was greeted at the plane by his company's local representative. He was a voluble, friendly sort, nattily dressed in white linen suit. The two had never met before. The local distributor had been appointed on the strength of references and promises, and business had been conducted by correspondence. For the first time Lowe was meeting the man behind his letterhead.

Later that day the local representative picked Lowe up at his hotel and together they drove to the dealer's store. There, in an open-front, street-level store Lowe read at a glance the sales story of his distributor. It was an old story to Lowe: a distributor apparently well-known, well thought of, well-to-do, but alone in his place of business except for his teen-age daughter, who acted as telephone receptionist when she wasn't reading magazines. Unconcernedly the dealer settled back to wait for the occasional customer. The store was well-stocked with no less than 20 different lines of products that ranged from coffee grinders to washing machines to office equipment. But no product literature was on display. No salesmen were to be seen, because there were no sales-



United States influence in merchandising . . . attractively displayed goods in Central America

men. To Lowe it was like stepping off a busy street of a teeming city and entering a "ghost town" of commercial products.

Who was to blame for a situation like this? The distributor later confessed that few of his principals had ever bothered to call on him in person; and those who had come, made quick in-and-out visits to pick up stock orders. Were these U.S. manufacturers then satisfied to be represented in name only? To aggressive salesman Lowe the idea was incomprehensible.

For Martin Lowe this trip was not an in-and-out affair. He spent two weeks with his distributor, studied the market, pointed out sales possibilities for his line that the local man had not observed before, won the man's friendship. As a result, the distributor hired a special salesman, with Lowe's guidance mapped out a promotion program designed to push the line. Orders placed during those two weeks amounted to more than the distributor had sold by himself in the past 10 months.

SELECTIVITY. "Nevertheless," Lowe remarks, "unless his sales finally showed the true potential of the market, this representative would have to be replaced. He should never have been appointed in the first place. His lack of sales aggressivness and too greatly diversified lines were handicaps that could not readily be overcome."

But if it is important to choose wisely in selecting the local distributor, it is even more important for management to make the right selection of foreign field sales personnel. If man-



Modern merchandising methods contrast with the old

agement makes a bad choice, not only will the company fail to realize a return on its traveling investment, but it may create ill-will that cannot easily be overcome. There are many companies still sending into the field young men who are inexperienced and too lacking in management authority to be taken seriously by the people they must deal with; men with language deficiencies and without understanding of Latin American public relations. On the other hand, companies often make the mistake of sending out officials who are too domestic sales-minded, who can only render lip service instead of practical assistance.

Martin Lowe describes a meeting last year in Peru with a prominent executive of a State-side firm: "He had come down from the States to spend a few days with his company's local agent," Lowe relates. "We met in the lobby of the hotel where I was staying, got started talking, exchanged notes. I asked him out of curiosity what steps he was taking to help his agent to do a better job of selling his line. The official was somewhat taken aback, hedged by saying that his agent was doing all right, that he had a good reputation, knew what he was about."

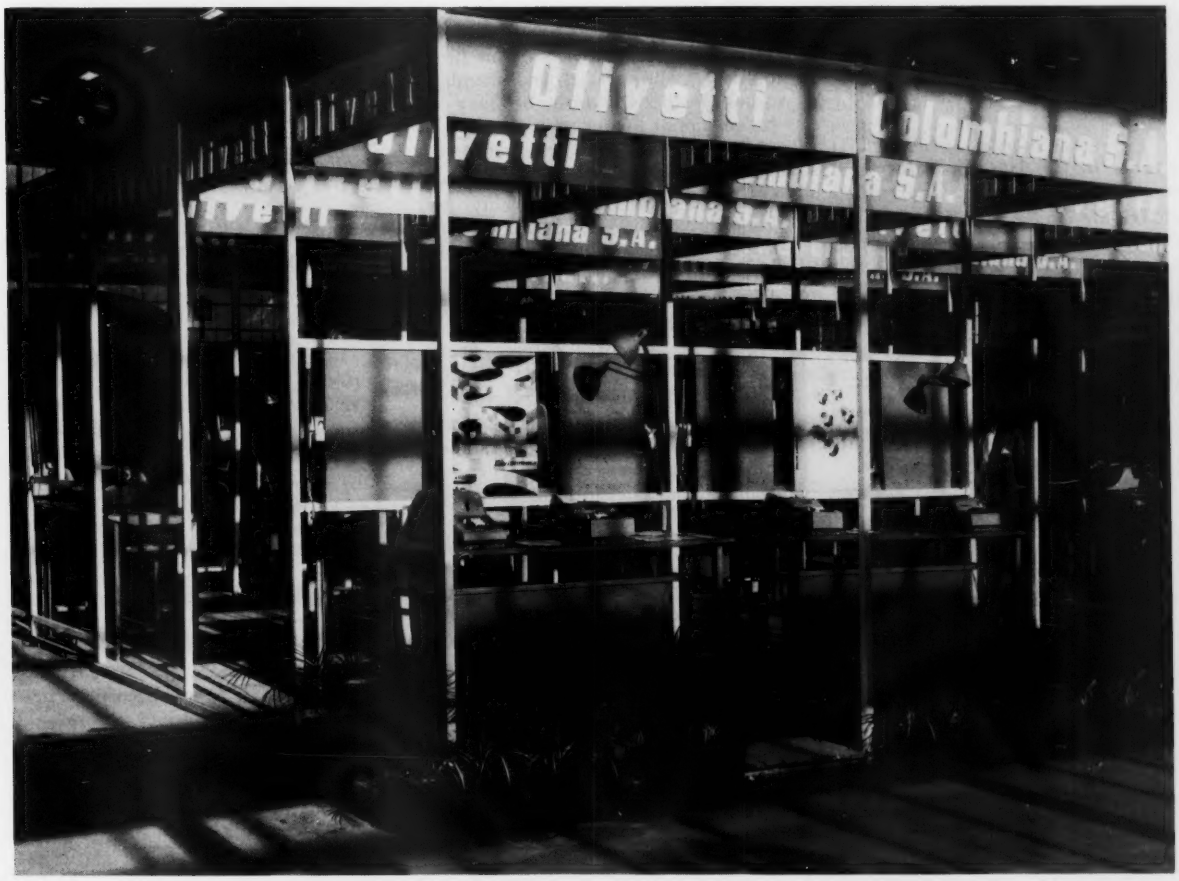
But as Lowe pursued the conversation, certain startling facts came to light: The executive had never met his agent's sales force, could not tell if they knew anything about his line or how to present it. Could they sell? He supposed so. Did he know the market? "There sure is a lot of business here, boy." The State-side businessman had made several calls with his agent, felt pretty good that he had closed a few deals (obviously pre-arranged by the representative,) boasted that he had "gotten out of his agent" some terrific orders that he was taking back to headquarters.

"That 'gotten out of him' stuck in my mind," Lowe comments. "I had heard the same expression too many times before. Too many sales executives take to the field thinking in terms of 'getting something out of' their local representatives instead of how to help them solve their problems and sell their clients."

TALENT NEEDED. There is yet another fault that has been far too common in the past and that still is prevalent today among many U. S. field executives, according to Lowe: the failure to treat Latin American representatives and salesmen as individuals, coupled with failure properly to assess the Latin temperament and ethnic characteristics. These salesmen deal with all Latin Americans as though cut from the same mold, and the stage is set for countless misunderstandings, much ill will.

The question then arises: what should management look for in an effective field representative for Latin America? Martin Lowe suggests that the following factors be taken into account:

- Preferably he should be of Latin ancestry or should have lived long enough among Latin people to understand them and their customs.
- He should have fluent command at least of the Spanish language and should be able to think in that language.
- He should have a well-rounded education and broad conversational knowledge, coupled with a grasp of world and current events, that will permit him to fit in socially at any level.



Italian display at Colombian trade fair popularizes European brand names

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Better sales techniques boost foreign competition . . . a common sight in Latin America

▶ He must be creative enough to visualize and put into effect new sales ideas, in tune with market trends and requirements, and should be unhampered in carrying out company policy in respect to distributors.

▶ He must possess sound judgment, be able to make on-the-spot decisions and shoulder the responsibility that goes with them, because management may be thousands of miles away and he in effect, is "the company" in the full sense of the term.

▶ He must be tactful and have the ability to train local agents and salesmen *in their own language*, not only in uses and applications of his firm's products, but in sales and merchandising methods, which he may be called upon to devise personally to meet special market conditions.

▶ A good field sales executive will have the organizational ability and leadership qualities necessary, not only to put together an effective local sales force, but to build a trained national organization of distributors that will work together as a combine.

Such an integrated national operation has been put into effect in recent years by the Bostitch company in Ecuador, Colombia and Mexico, and has proven highly successful. It offers these advantages: interchange of technical and sales information among local distributors, transfer without delay of urgently needed goods, facilitates training of personnel, and permits cooperative participation in national advertising programs. Better coordination among local distributors often has resulted in new sales ideas that have proven useful to the Bostitch home office for application in other markets.

EXECUTIVE'S REWARD. The foreign field executive fulfills a vital function in speaking for management abroad. His work is extremely rewarding. He is a teacher and disseminator of ideas that stimulate sales. He is a leader of men and so commands the esteem and respect of those he deals with wherever he goes. His responsibilities defy limitation. The interesting people he meets, the friends he makes, all are a part of his reward. His social life is one of those intangibles that makes for success in a job of this kind. His after-hours life often is as important to creative sales building as are the office hours.

Yet contrary to what many may believe, the life of a foreign field executive is not a glamorous one by any means. He must remain away from home for long intervals, and traveling can become pretty tiresome when it is not for pleasure. He is exposed to many extremes, not always pleasant —extremes of climate, of foods, of sanitary conditions and disease. But for the person inclined to this sort of life the good things far outweigh the bad.

Martin Lowe, who makes it a practice to know all his distributors and salesmen personally, has this to say about his job as foreign sales executive:

"I have made in my travels more personal friends than I ever would have made in the States in a normal life span. For example, I celebrated my birthday this year in Lima, Peru, where a small party was given for me. Twenty-six persons showed up. I had met some of them previously, but before the party broke up, I knew everyone intimately. Later, when I boarded the night flight out of Lima, I felt pretty badly. I was leaving behind a lot of good friends who had urged me to come again soon. It was a feeling I had experienced in many places at many times in Latin America. That to me, is the really priceless reward of my job."

And that in turn, when translated into dollars and cents of sales, is the really priceless reward for United States businesses selling in Latin America.

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Mario Moreno

The Man Behind Cantinflas

The slight, cinnamon-skinned man crossed an expensively shod foot over his knee, sank back into the overstuffed sofa and said in rich, well-modulated voice, "Just leave off the misters and call me Mario . . ."

When the "misters" are used it's Mr. Moreno. But to millions the world over the quietly urbane Mario Moreno is better known as someone else—someone entirely different—a ragged, tousle-haired, sharp-witted tramp called Cantinflas. For years Cantinflas fans in Mexico and the other Latin American republics have doubled up in helpless laughter over the antics of their spunky hero. Armed with little more than a glib tongue and quick imagination, he has championed every man's frustrated cause against adversity and pompous authority. With unerring stabs of his impudent wit he can reduce pretension to chaos and a houseful of viewers to tears of mirth. Cantinflas, in short, is the underdog with guts and an infallible rabbit's foot . . . a lovable madcap who can sprawl across the boss' desk, blithely read him off and somehow get away with it.

This year millions of English-speaking moviegoers got their first look at Cantinflas (pronounced CanTEEN-flas) and their first taste of his humor. As the unorthodox but invaluable manservant, Passepartout, in *Around the World in 80 Days,* Cantinflas stole scenes and charmed audiences from London to San Francisco. His praises have been sung in superlatives . . . and his fame has reached a pinnacle among comedy's greats.

Ironically enough, these laurels ultimately come to rest on Mario Moreno, a 43-year-old man who in bearing and demeanor is practically the antithesis of Cantinflas. Where Cantinflas is brash and scatterbrain, Moreno is serious and somewhat introverted. The on-screen Cantinflas perennially garbs himself in a far-from-spotless flannel undershirt, a pair of patched trousers dropped to an alarming level and an absurdly nondescript hat un-



der which a mass of curly locks grow in untouched disorder. His speech is earthy and his gesticulations sometimes become dangerous.

The off-screen Mario Moreno, from his carefully groomed hair, slightly wavy and threaded with gray, to his lustrous Italian footwear, is the image of conservative elegance. His suits, in dark grays and blues, are meticulously tailored in European fashion, flawlessly to fit Moreno's slender frame. Even Cantinflas' mustache, wonderously clinging in two small wisps at the corners of his mouth, is transformed on Moreno into a civilized, pencil-line affair.

At a cocktail party or surrounded by a crowd of wellwishers and autograph hunters, Mario Moreno remains poised but not aloof. He has a quick smile and warm informal air which puts his greeters at ease. He speaks quietly. There are almost none of the expected Latin hand movements. And for those who expect Moreno to clown and spout witticisms, a la Cantinflas, there is disappointment.

Moreno's humor is contained and subdued; only a hint of a smile or a twinkle in the eye suggest his amusement at the scene around him—the matron who gushes over him or the unprepared MC who grossly mispronounces his name. Unlike Cantinflas, Moreno is too much of a diplomat to peg a gag on such well-meant human errors.

Moreno's consideration for others reveals itself in numerous other ways. Tales of his philanthropic largess are legion. Although he personally refuses to discuss this aspect of his personal life, it is reported that he has given thousands of dollars to hospitals, orphanages, homes for the poor. During a recent trip to New Orleans he included in his busy itinerary a visit to the children's ward of a city hospital; later, during a public appearance, he broke away from an excited, swirling crowd long enough to console a stray, sobbing child. A policeman who lost his wristwatch trying to protect Moreno from that same mob was presented with a new one by Moreno in person a few days later.

As varied as his good works, are Moreno's talents. He's a licensed pilot who owns his own plane. An amateur toreador of recognized skill, he rarely substitutes a double to handle a bullfighting scene in one of his films. Actually, he seldom ever allows a double to take his place, no matter how dangerous the situation may be. Says Moreno, "It's easier to get the feel of the situation if you do it yourself . . ." Moreno is also a musician of considerable ability, and a writer. He writes most of the scripts for his Cantinflas films himself.

Not least of all is Moreno's business talent. No one benefits financially from Cantinflas' success so much as Mario Moreno. Cantinflas performs exclusively for Posa Films, an organization of which Moreno is board chairman and principal stock holder. The 20-odd films produced by this company in almost as many years have been smash hits in Spanish-language countries, drawing far larger audiences than other movies. They have brought an income reportedly in the millions to Moreno, and have made Cantinflas—whether cast as Romeo or a bumbling photographer—as familiar a figure as Mickey Mouse. With a trace of pride Moreno admits that Cantinflas has even made his way into the Spanish dictionary: one who talks a lot and says nothing.

But the funny tramp with the whiplash wit is more than a gold mine to his creator. With sincerity Moreno says, "The money isn't that important. It's better to help others . . . to make people happy . . . specially poor people . . . they have to smile." Making people smile Moreno considers one of the top rewards of his profession.

That Mario Moreno is entitled to reap the rewards from Cantinflas goes unquestioned. Cantinflas as a name and as a living personality, owes his existence to Moreno. The comic was born when Moreno, a student of 23 who "couldn't learn anything," decided to join a traveling circus. To keep his family from knowing of his shocking decision, he snatched a word out of the air—Cantinflas—and took it for a stage name. The hilarious character he created developed and continues to exist in body and spirit through the efforts of Mario Moreno. Frequently, particularly in the English-speaking world, Cantinflas is compared to Charlie Chaplin. Of this comparison, Moreno says with a slight frown, "Cantinflas is Cantinflas . . . that's all."



Facets of Mario Moreno: the celebrity . . .



. . . the businessman . . .



. . . the philanthropist



Accused of hampering economic progress . . .

The Latin American MILITARY

Takes on new purpose . . .
Approaches state of maturity
and sound political responsibility

Many hemispheric leaders intimate with Latin America long have voiced privately the opinion that these countries could make more economic headway if they applied the axe to military spending. Seldom, for fear of treading on tender toes, have men of influence spoken out publicly. Recently some important leaders have taken the bull by the horns, begun to grapple openly with the problem.

Secretary of the Treasury Robert B. Anderson, defending the United States position before the Organization of American States economic conference at Buenos Aires in August, laid it squarely on the line, bluntly told Latin Americans that they could best help themselves by slashing military spending.

Pointing out to the 400-odd delegates that in many Latin American countries armed forces expenditures take more than a third of the budget, Anderson went on to say: "Military expenditures by their very nature act as a brake on rising living standards, and for that reason they should be held to a level that will provide an adequate posture of defense." The



Barracks in a Central American city . . . symbol of the military presence

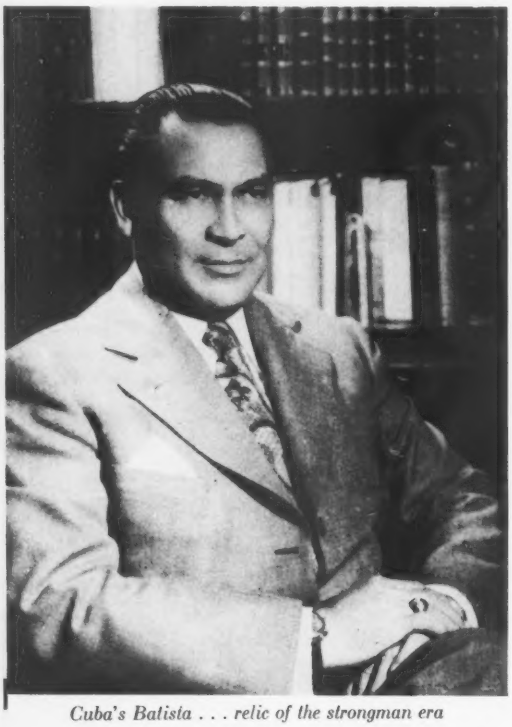
Secretary further expressed belief that assurances now provided by our common defense system "offer us a dramatic opportunity to give greater emphasis to those economic activities that can better the lot of our peoples."

This leads to the question: Why do some Latin American republics, in the face of economic need, persist in earmarking large parts of their budgets for seemingly unnecessary arms build-up? And this in turn poses a second and broader question: Exactly what is the role of the military in these countries?

Certainly the military role differs from that of the United States. To say that a strong military is necessary for defense against aggression from another part of the world is stretching a point. Neither, in these times, does it quite hold water to say that it is for defense against a country's Latin American neighbors, although both of these excuses are in common usage. A more likely *raison d'etre* is seen in the opinion often heard that in Latin

America no president can remain long in office without support of the military. A look at history shows that the military many times has been the final arbiter, and to an extent this holds true even today.

The present-day picture brings to light a number of favorable trends. Military dictatorship definitely is on the wane. Nowhere is the change more apparent than in Central America. The early 'forties saw four of five of these countries ruled by military dictatorship. Today not one outright dictatorial regime holds forth in Central America. The military itself seems to be growing up politically. Military leaders appear to be more responsible in their thinking on the subject of stable democratic government. Civil leaders are beginning to look with apprehension at the military burden.



Cuba's Batista . . . relic of the strongman era

National pride is shifting away from military power, in the direction of strengthened industrial economies. All of these are heartening signs.

In spite of the tendency of North Americans to look askance at the maintenance of strong military power in Latin American countries as unnecessary, the military, within reasonable limits, nevertheless does play an essential role in the scheme of things. North Americans nurtured in the tradition of democratic process, orderly succession of governments, and a military that is subservient to the people, find it hard to picture military influence in the field of politics as anything but unhealthy. In Latin America the role of the military in politics has not always been an evil force, or an undesirable one. To understand this one must consider a few basic characteristics of Latin politics.

NO STRONG PARTIES. One factor that permits a disproportionate military influence in politics is the almost total absence of strong traditional political parties in these countries. The absence of strong parties, especially among centrist liberal groups, creates a power vacuum that invites undue military influence—sometimes even military dictatorship — to maintain a semblance of orderly government. Political immaturity prevents any clear definition of ideological issues around which strong parties can rally and build with continuity of interests. Resultant amorphous situations lead to such politi-chaos as one finds today in Argentina, where no less than 39 ill-defined political parties vie for voice in the forthcoming government. When conditions like this exist, a srtong military "power behind the throne" is made almost imperative.

Politics among emotional, personality-conscious Latins are further complicated by traditional elements of *personalismo*. Candidates run for office and often are elected not so much on the strength of ideas, ideologies or programs of government, as on name and personal appeal. Demagogues, themselves often of military background, many times gain control of the armed forces and use them to perpetuate their rule. Or on the other hand, a demagogue may become the tool of a strong and ambitious military that finds it advantageous to maintain the personality in power in disregard of democratic process.

Since 1930, history brings to light no less than 21 instances of the military using its power in Latin America to bring about and perpetuate strongman rule. In not every case has strong-arm rule been despotic. Some of the leaders have evidenced little more despotism than a mild form of benevolent paternalism. The late Getulio Vargas' reign in Brazil has been described as "despotism mitigated by sloppiness." Some such regimes have forcibly brought order out of chaos (as was the case at first when Rojas Pinilla took control of Colombia in 1953), and often they have brought prosperity out of economic bankruptcy. But most dictators, regardless of good intentions at the beginning, have in the long run been unable to resist temptations of greed and power. In the end they have proved distasteful to freedom-loving Latin Americans and have fallen from power in spite of military support, and often as not, at the very hands of the military.

It may be interesting to note the devious means by which a strongman keeps the military under his thumb. A good example is seen in Cuba's Fulgencio Batista. Batista first came to power through the "Sergeant's Revolt" of 1933. The army at that time had just thrown off of Cuba the yoke of



Argentina's Aramburu: the new military conscience

Gerardo Machado, whose corrupt rule had become unbearable to the people. But the provisional government that replaced Machado bore the stamp "made in Washington," and was itself unpopular. It lasted 21 days. Batista was 32 years old at the time of the "Sergeant's Revolt." He had joined the army as an humble farm boy. Ambitious, he studied shorthand, became an officer's stenographer, rose to the rank of sergeant. Batista was popular with non-commissioned officers and enlisted men, soon built a following that enabled him to carry off the coup of 1933. His first official act after coming to power was to depose 500 superior officers and replace them with fellow conspirators. He promoted himself to colonel and chief of staff of the army.

WEIGHT OF ARMS. Batista ruled until 1940 through seven puppet governments. That year he assumed the presidency in his own name. But as early as 1934 all army officers owed

their commissions to Batista and never were allowed to forget it. He boosted the pay of enlisted men, built them fine barracks. He provided the army with good uniforms, excellent food, recreation facilities and pensions. The island's 30,000-man military became, and remains today, his first reliance.

Another classic model of a demagogue's appeasement of the military to keep himself in power is seen in the methods of Argentina's Juan Domingo Perón, who won his position in 1946 with the backing of the masses. But Perón was quick to see the necessity of winning over the military if he were to hold his hard-won leadership. Most military officers soon found it profitable to go along with Perón. Many were rewarded with political posts. Officers' pay from lieutenant to general was raised, until by 1950 it exceeded that for corresponding ranks in the United States army. Military budgets increased so that by 1950 one-quarter of all national expenditures were for the army and navy. Modern guns, tanks and planes replaced obsolete models. At the time of Perón's downfall, the military numbered 89 officers of general rank.

Skeptics asked the reason for such a military buildup. Of Argentina's neighbors, only Brazil possessed the power to challenge the country, and Brazil had exhibited no bellicose intentions. The Organization of American States would not have permitted



The late Castillo Armas . . . for good of country & people

Strongman benevolence . . . new housing project in Caracas, Venezuela



Argentina to extend dominion over her weaker neighbors, and even Perón must have realized this. Asked to join the United Nations in policing Korea, Perón declined to send troops "so far from home." The only true purpose of the military machine that Perón built was avowedly to preserve national order—which to Perón meant perpetuating himself in power. Yet the flood of benefits he showered on the military failed to drown the flame of freedom and it was that very military which, in 1955, brought about his downfall.

Porfirio Díaz in Mexico was adept at keeping his generals faithful. His formula, long to be standard practice in Mexico, was to provide them with salaries and expense accounts to cover such necessities as handsome mounts, resplendent uniforms, good food and drink, smart mistresses. They were not allowed to forget to whom they were beholden.

With the military in control of a country, or with a dictator ruling by grace of the military, the weight of arms many times becomes a heavy drag on the economy of the country. It has just been noted how in Argentina, under Perón, 25 percent of the national budget went to the military at the same time that the country was being driven to the verge of bankruptcy.

Among the larger Latin American countries, the average military budget is about 17 percent of the total national budget. There are some noticeable exceptions to this, i.e., Mexico, with stable government and prosperous economy, slates only seven percent of its budget for the military. For the smaller countries, the average figure is about 10 percent of the gross budg-



Colombian Junta Chief Gabriel Paris
—a new responsibility

et. There are notable exceptions to this, too. The tiny Dominican Republic, where strongman General Rafael Leonidas Trujillo rules with an armored fist, devotes 19 percent of its budget to military expenditures. Poverty-ridden Haiti, where the military helped perpetuate Colonel Paul Magloire in power up to last December, and where a military junta rules today, spends 14.4 percent of its meager national budget on the military, while a large part of the population lives in squalor and hunger.

When Adolfo Ruiz Cortines took office as president of Mexico in 1952, one of his first official acts was a rigorous reshuffle of generals, many of whom had been shameless in mis-appropriation of funds. Many Mexican generals in the past had made fortunes by padding payrolls and starving their troops to pocket funds appropriated for supplies. President Ruiz had 29 generals dismissed or transferred when he assumed office.

ROLE OF HERO. In Chile, whose government is struggling with inflation and high government expenses, the armed services continue needless waste of money. A classic example is the Navy which still keeps in commission the *Almirante Latorre*, probably the only relic still afloat from the 1916 Battle of Jutland, where it was a British dreadnaught.

As was pointed out earlier, however, the role of the military in Latin America is not always for the bad. There have been no less than 16 instances since 1930 in which the military figured as a potent factor in overthrowing strongman rule to return the government to the people and to democratic process.

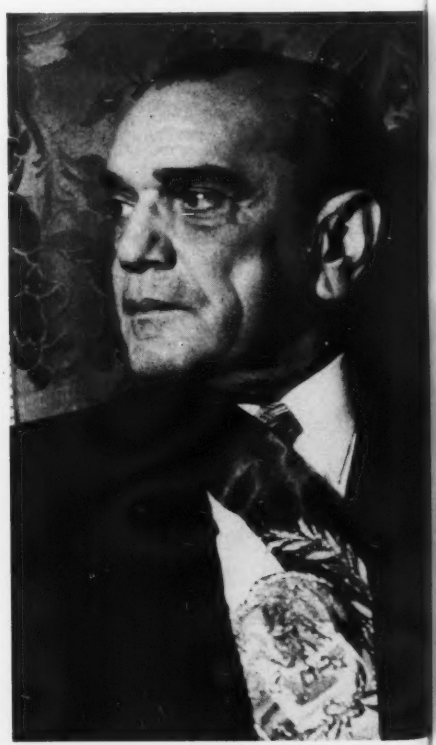
In the pre-dawn darkness of a September Sunday, two years ago, a band of military revolutionaries rose up and touched off a rebellion that shattered the ten-year rule of Perón in Argentina. After three days of fighting, Peron's generals concluded that they could contain the uprising, and they probably would have. But that day a rebel navy officer, Admiral Rojas, sailed for Buenos Aires in the captured cruiser *General Belgrano*. Fearfully aware of Rojas' fighting reputation, Perón scurried off to take refuge in the Paraguayan Embassy. Perón made over authority to negotiate to General Lucero who announced Perón's retirement "to save the capital from destruction."

Now, almost two years later, Major General Pedro Aramburu is going ahead with plans to turn the Argentine government over to democratic control. During this same period, following the downfall of Perón, five other Latin American dictatorships have been brought to an end. Not all of these downfalls resulted from military initiative, but in most instances the military saw the writing on the wall in time to administer the *coup de grace*. The fallen regimes were: the eight-year rule of Manuel A. Odría in Peru, who last June yielded to popular demand and permitted military-guaranteed elections and peaceful turnover of government; General Anastasio Somoza of Nicaragua, who last September fell before an assassin's bullet; strongman Julio Lozano Díaz of Honduras, who last October yielded to a three-man military junta; dictator-president Paul Magloire of Haiti, who last December gave up control of that country in the face of combined civilian and military pressure; and most recently, the strongman government of General Gustavo Rojas Pinilla in Colombia, who was forced by the military, under pressure of the populace, to renounce the rule that he had planned to perpetuate.

Not in every one of these instances is there clear indication that popular government will result, but there is ground for hope. Honduras' ruling military junta has held free elections for that country. The military junta headed by Brigadier General Antoine Kebreau has permitted elections in Haiti which may signify a return to democracy. It appears at this early stage that Colombia's military junta, ruling in cooperation with a civilian cabinet, plans to return the government to the people as soon as elections can be held.

It would seem that military dictatorship in Latin America is definitely on the way out. Today only four strong men pretend to rule. They are Batista in Cuba, Trujillo in the Dominican Republic, Brigadier General Pérez Jiménez in Venezuela, and Major General Alfredo Stroessner in Paraguay. Of these, Batista's regime is plagued by revolt and discontent. Batista, who denies being a dictator, has promised free elections. Venezuela also is promised an election this year. How free it will be is anybody's guess. Stroessner has announced Paraguayan elections for next year, but since his Colorado party is the only legal one in Paraguay, the outcome is a foregone conclusion. Nicaragua held elections in March which saw Luis Somoza, Anastasio's son, elected to the presidency. Indications are that he plans to grant more liberties to Nicaraguans than his father permitted.

Mexico's Ruiz Cortines . . .
gave the gate to surplus generals



Brazil





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HOTEL JARAGUÁ

RESPONSIBLE THINKING. There are indications that the military is growing up politically in Latin America—that it is becoming more mature and that its leaders are becoming more responsible in their thinking about stable democratic government.

Four countries are ruled today by military juntas. They are Honduras, Argentina, Colombia and Haiti. None of these juntas shows signs of trying to perpetuate its control of the country.

In Argentina, General Aramburu, provisional president and head of the junta, has stated publicly: "It is not a new thing in our country, and it seems to be a Latin American evil, that military personalities seek to make themselves dictators through recourse to arms that the people themselves pay for. We shall so conduct ourselves that the army, in a democratic spirit, as in such other countries as the United States, England and France, may remain aloof from partisan political strife." In spite of opposition, he is going ahead with plans to hold free elections.

In Colombia, General Luis E. Ordoñez, one of the most influential members of that military junta, said recently: "I can assure you that we shall turn over power to a civilian president at 3 p.m., August 7, 1958, whoever he may be, and we do not want anything else to do with running the country."

In a number of other Latin American countries, where democratic processes prevail today in spite of past histories of military strong-arm influence, the military now seems more concerned with insuring democratic function and orderly succession of governments, rather than with playing partisan politics.

This was evidenced last year in Peru, when the opposition threatened to prevent seating of the legally-elected presidential candidate, Manuel Prado. The military cabinet of out-going strongman, President Manuel Odría, met and issued a communiqué guaranteeing Prado's inauguration "based on the honor of the military cabinet and guarantee of the military forces."

When in July Guatemala's ill-fated President Carlos Castillo Armas was assassinated, ample excuse was provided for the military to take and keep control of the government. In times past this likely would have been the pattern. The first act of the fallen president's widow, within minutes of his death, was to summon Defense Minister Colonel Francisco Oliva to do "what is necessary" for the security of the country, Colonel Oliva at once clamped on a 30-day state of siege as a security measure, but declared the army's full support of the government under Vice-President Arturo Gonzales López, who took over the presidential duties. Congress, after an all-night session, announced that elections would be held in four months to choose a successor to Castillo.

There are also signs that thinking men of the hemisphere are becoming weary of the arms race that is sapping the economic blood of their countries. Evidence of this is seen in a speech broadcast recently from Santiago de Chile: "The Latin American arms race begins to bother the great men of the hemisphere who see poor nations, living on loans, buying these costly playthings. These purchases are draining the small resources of these countries without explainable reason for them. The pretext that they are for defense of the hemisphere is a flimsy one. Mosquito planes that Chile recently bought from Canada would be ridiculously inadequate against the modern war machines of the big powers."

The Chilean publication, *Entre Telones,* not long ago quoted former Chilean Foreign Minister Joaquin Fernández as saying that he believed Chile would do well to call a conference on arms limitations, "not because of fear, but because of economic reality in countries whose primary aim should be to attain a better standard of living before making absurd sacrifices." It may be hoped that the words of Mr. Fernández and those of Secretary Anderson will be taken to heart by responsible leaders over the hemisphere.

interview: senator Homer E.

The Senator who represented United Buenos Aires voices his views me



The economic conference of the Organization of American States just held at Buenos Aires was attended by an array of the hemisphere's leading economists, government officials and interested observers. They came with hopes that the meeting would result at least in a step toward some kind of American economic accord.

Representing the United States Congress was Senator Homer E. Capehart (R-Ind). Sitting high in Republican councils, Senator Capehart is an active spokesman in the formulation of United States foreign policy and economic thinking. He is ranking G.O.P. member of the powerful Banking and Currency Committee and sits on the Senate Foreign Relations Committee.

Homer Capehart's experience in the Senate qualifies him for his role at Buenos Aires, lends stature to his thinking in the field of hemisphere economy. In 1954, as chairman of the Banking Committee he flew 21,000 miles over Latin America, visited 15 nations and made an objective study of their various trade potentialities. He made a study of the Export-Import Bank's operations as to Latin American loans that resulted in a broadening of the Ex-Im Bank's functions.

In the Senator's own words, he has often thought that "there is a tendency to take our neighbors too much for granted while we go out on more global and adventurous affairs."

In an exclusive interview with LATIN AMERICAN REPORT at Buenos Aires, Senator Capehart gives his views on some questions of hemispheric economy, indicates a personal interest in reversing the too-much-for-granted tendency toward our neighbors to the south.

Senator Capehart (center) holds press conference at Buenos Aires



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E. Capehart

ited States Congress at me hemispheric economic problems



Q. Senator, why did you think it was worth your while as a United States Senator to travel 7,000 miles to attend the recent economic conference held at Buenos Aires?

A. I know of no assignment to which I was more sincerely devoted than to serve as representative of the Congress of the United States at the Buenos Aires Conference. My advocacy of increased trade and closer relationships between the nations of the Americas is well known. I considered the trip worthwhile for the reason that the interest of the nations of South America, tradewise and securitywise, are inextricably interlocked with those of North America and any man who devotes his time and energy to further securing those interests is, in my opinion, rendering a statesmanlike service.

Q. In your own opinion, why do you believe some American Republics, such as Venezuela and Peru, are developing more rapidly than others with equal or even better economic potentialities?

A. Let it be understood that the comments here must not be interpreted as critical of any Latin American country. You mention specifically Venezuela and Peru. Obviously the resources which have bolstered the economies of those nations were developed at a time when the demand for such products as oil, iron ore, lead, zinc and such were at peak demand. All in all, it is my belief and my hope that all Latin American countries will continue to improve the business climate which tends to make investment in those countries attractive to foreign investors.

Q. Do you believe that the various views exchanged at the Buenos Aires Conference will have any effect on the Congress of the United States, and specifically if so, will it lead to any direct legislation?

A. It is not possible to appraise this soon the potential benefits which may accrue from the Buenos Aires Conference. Suffice to say that the mere calling of such a conference indicates a sincere realization by all participating countries that there are great problems to be solved and that the best way to solve them is to sit down around a table and discuss those problems in the light of conditions that exist. As I made plain in a press conference at Buenos Aires, it is my belief that United States loans to Latin American countries will increase within the next few years, but it is too early to say whether any specific legislation in the Congress of the United States will be approved as a direct result of the conference.

Q. As you know, there was much complaining about United States insistence that emphasis should be placed on the importance of private enterprise rather than government, as a means of furnishing development capital. What are your views on this, and specifically, have you noticed any change in the Latin American attitude on this?

A. I was encouraged by evidences at the conference of a growing recognition of the advantages of private enterprise. It is obvious that the investment of foreign capital is likely to increase, at least in proportion to increased friendliness toward the private enterprise system. At the same time, it must be recognized that the loan records of nearly all of the Latin American countries are excellent, placing them in a very advantageous position to receive the increased loans which I have predicted.

Q. It was said that one of the objections to United States capital was that the various U.S. corporations insist on special treatment being accorded them. Do you think they want "special treatment" or simply "fair and equitable treatment?"

A. It is difficult to define "special treatment." It is my best judgment that any misunderstanding which might exist with reference to the conditions of foreign investment in the Latin American countries grows out of the variations of this definition. My own best judgment is that United States corporations seek simply what you have described as "fair and equitable treatment."

Q. Based on what you observed at Buenos Aires, do you think the idea of the "fifty-fifty corporation," (half owned by nationals, and half by foreign investors), regardless of the type of operation involved (including extraction of minerals) is the answer to getting much-needed private investment dollars?

A. With reference to what you describe as the "fifty-fifty corporation" proposal, I said at Buenos Aires and I repeat, that I am not ready to say yes or no until more facts have been developed and there has been more time to study the situation.

Q. How can we and our hemisphere friends harmonize in a practical way our system of individual and private initiative, with the general Latin American tendency of government direction and leadership?

A. The answer to this question simply is that all of us must view the situations in our respective countries in the light of history, tradition and enlightened realization of what is best for the generations to come in the nations of the Americas.


the
Russell Bishop
57

CORNER of DEATH

High in the Peruvian Andes in the summer of 1824 the stage was being set for the last act of that 14-year drama of wars of Spanish American independence. Much had gone before. San Martín had fought his way north from the pampas along the River Plate, up from the deserts of Chile. Patriot armies under the great Liberator, Simón Bolívar, had cut a bloody swath through Royalist ranks across the northern-most end of the continent . . . Boyacá and the battle for Caracas, Pichincha and the fall of Quito . . . to the historic meeting of the Liberators at Guayaquil. Now only the Spanish stronghold of Peru remained—a threat not alone to the shaky insurgent government sitting in Lima, but to the entire movement for independence that had swept the continent.

Already San Martín had retired from the field. To Bolívar now fell the task of delivering the *coup de grace* to the Spaniards in Peru. Royalist forces had retreated to a mountainous redoubt in Upper Peru, but when the Liberator entered Lima it was an ugly situation that confronted him. Disloyalty to the patriot cause was the order of the day and the insurgent government set up by San Martín was a hotbed of intrigue. Already the forces of disunity that were to destroy the Liberator's dreams were at work there, and in the North as well. Paradoxically, the last great battles that soon were to bring down the curtain on the wars for independence, also were destined to bring the final curtain call for the Liberator. Even now in Lima there was but one of his leaders whom he felt he could trust, and that was the loyal General Antonio José de Sucre.

Together they set about replenishing depleted patriot forces. By August 2, 1824, Bolívar was able to assemble for review on the plain of Sacramento, 14,000 feet up in the Andes, some 7,700 troops. Encamped a short distance away was the main body of Royalist forces under command of General Canterac. The Spaniards were some 9,000 strong, 2,000 of which were cavalry.

At four o'clock on August 6 the two armies met on the plain of Junín, near the lake by that name which is the source of the Amazon. The encounter at Junín proved to be forerunner to the last of the great battles for independence. Junín was in many ways one of the strangest battles fought in that century. Among the 16,000 troops that stood by on both sides, not a single shot was fired throughout the battle. And yet it was in appearance and results, one of the most terrible battles of that troubled period.

The Battle of Junín took place against an eerie, desolate landscape unlike any earthly battleground. The two armies came together on a barren and rocky plain surrounded by high snowcapped peaks and pockmarked by blue lakes. Insurgent forces were commanded by the Liberator himself, but the battle was fought in the field by General Sucre. Royalist forces were commanded by General Canterac. Hussars and lancers rode against each other as infantry watched from a distance. Across the vast, bloody plain all was silence save for the thunder of thousands of charging hoofs, the stirring call of the bugle, the rattle of sabers, the hoarse cries and curses of men.

Lancers gripped the reins with their knees to guide their mounts and leave both hands free to wield the lance. Often they struck their opponents with such force as to lift them several feet out of their saddles. Within 45 minutes the wild horsemen—patriot *llaneros* from the plains of the Orinoco, *gauchos* from the Argentine pampas, *montaneros* from Peru, with a few European veterans—had broken and dispersed the Spanish cavalry. In retreat, General Canterac managed to take with him his infantry, and the battle was not decisive insofar as ending Royalist resistance. Nevertheless, the Liberator's men had taken the measure of their foe and the end was not to be long off.

In spite of its indecisiveness, Junín goes down in military history as a brilliant victory for General Sucre. As one of Bolívar's English officers put it: "A very sharp affair of calvalry." There was another insurgent general who stood impatiently by without seeing action that day at Junín. His name was José María Córdova, and history does not describe him





An audacious moment of courage . . . a calculated risk against overwhelming odds . . . a well turned phrase to inspire the struggle for freedom. These are the great moments of history. Here is the tale of such a moment

beyond that. But his big day of glory was to come a few months later.

During the 450-mile retreat over rugged terrain that followed Junín, the Royalist General Canterac lost a large part of his army. Yet eventually he maneuvered to join reinforcements brought up from Cusco by the Spanish Viceroy, La Cerna. Pursuers and pursued marched and counter-marched through the high Andes for arduous months. Bolívar meanwhile had left the campaign and returned to Lima to deal with political problems. He left command of the patriot armies to the trusted Sucre with orders only to carry out defensive action against the Royalists, evidently in hope that reinforcements would arrive from Colombia in time for the final critical battle. Fretting at the bit, Sucre maneuvered to avoid all-out commitment with the foe. Often the two armies found themselves marching on parallel courses separated only by a deep ravine or rushing mountain torrent, yet the fateful encounter always was put off. At last Sucre received permission to engage the enemy.

By this time the Royalists had built their forces back to 9,000 men. The patriots could field fewer than 6,000 and scarely one tenth the guns of the enemy. So it was with the greatest care that the wily Sucre bided his time. It came on the ninth day of December, 1824. On that day Sucre's army was deployed on the 9,000-foot-high plain of Ayacucho, meaning "the corner of death," traditionally an ancient Inca battleground on the road midway between Lima and Cusco. Sucre inspected his positions and felt the time was right to make his stand. Flanks of the patriot army were protected on either side by deep ravines; the rear was guarded by a valley. Across the plain to the west the battlefield was bordered by the craggy, wooded heights of Condorkanki, and it was there that the Viceroy's forces were observed on the day before the battle. The Viceroy's army was generaled by the veteran Canterac and his officers and troops were the cream of Spanish soldiery left on the continent. He had every reason to believe the outnumbered patriots at his mercy.

As the Royalists slowly descended the slopes of Condorkanki on the morning of the ninth, and began to form their columns on the plain of Ayacucho, General Sucre, head bowed in thought, rode back and forth before patriot columns already assembled. He was a vigorous, alert man, slight of build, gentlemanly in manner, revered by his troops. As he awaited the impending battle, there rested on his shoulders the weight of a continent. Upon his decisions that day hinged the fate of independence, not of Peru alone, but of all that had gone before as well.

While the two armies arranged themselves against each other in the field, and in the lull before the bugle blew the call to battle, many officers and men left their ranks and crossed over to enemy lines to embrace brothers and friends—a poignant reminder of the tragedy of civil war that for 14 years had ranged men of the same blood and faith against each other. Shortly before the call came, Sucre paused in his nervous pacing. Solemnly he said to his men: "Upon the effects of today," he said, "the destiny of South America depends."

Then at high noon, in the shimmering blue light of the Andes, General Sucre gave an almost imperceptible sign and somewhere a bugle sounded. The plan of action already had been determined. Sucre had divided his army into three divisions. In the center was the cavalry and on the far right was the Colombian division commanded by the gallant General Córdova. It was Córdova who first engaged the foe, even as the Spainards were only partially formed on the plain and partly still on the slopes of Condorkanki.

It looked early in the affray as though the Royalists would surely win. The maneuverings of Sucre and Córdova were brilliant; courage of the patriots was superhuman. But overwhelming odds of the Spaniards proved almost too much. Inevitably patriot lines crumbled and fell back in disorder. At this critical stage of the battle, General Córdova sat a fine black stallion on a height overlooking the bloody scene. As his retreating men stumbled back past him in spite of his exhortations, the General still stood his ground. He dismounted in the face of the enemy onslaught and drew his sword. Deliberately he "ran through" the gallant horse that had carried him in many battles. As the animal collapsed in death, he withdrew the dripping blade and holding it high turned to the astonished soldiers. Tears streamed through the dust of battle that caked his swarthy face.

"I wish no means of escape," Córdova exclaimed. "I keep only my sword with which to conquer." Then turning, with his soldiers rallying behind him, Córdova charged the foe.

Canterac poured in Royalist reinforcements, but never again that day was he able to stem the patriot tide. It is said that at one point during the afternoon Spanish prisoners outnumbered their patriot captors. To Córdova himself fell the honor of capturing the white-haired Viceroy La Cerna on the slopes of Condorkanki, where he had retreated. That evening there came to the tent of General Sucre the Spanish commander Canterac with a proposal for capitulation. General Surce accepted. Both men appeared, by terms of the paper, to recognize that the surrender had more far-reaching effects than Peru itself. Ayacucho was to South America what Yorktown was to North America; it marked the virtual end of the wars for Spanish American independence.



Miguel Angel Quevedo

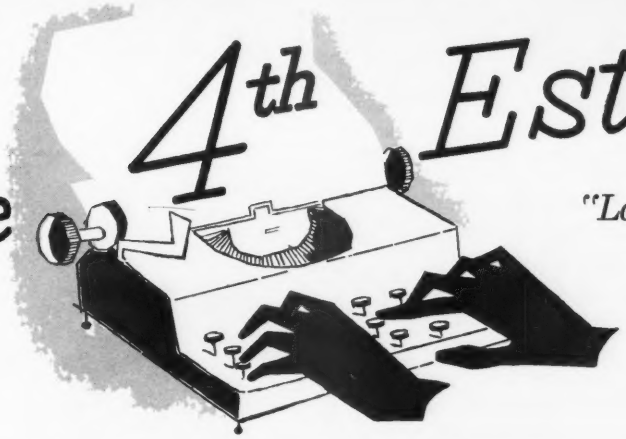


Jose Francisco Borgen

The 4th Estate

"Latin American Pulitzers"

Honor outstanding journalists



One of the Americas' outstanding institutions devoted to better understanding, progress, and the solution of common problems in a particular field, is the Inter American Press Association, whose members hold their 13th annual meeting in Washington in October. Just as United States journalists may expect recognition for meritorious journalistic achievements through the Pulitzer Prizes, so may Latin American newsmen look to the Mergenthaler Awards, sometimes termed "the Latin American Pulitzers." This year four journalists and one publication have been singled out to receive these honors.

Just as freedom of the press is a jealously guarded right in the United States, and one of the first-line guardians of individual freedom anywhere, so is it in Latin America. In recognition of work done in behalf of this freedom a $500 award goes to Miguel Angel Quevedo, director of the Cuban magazine, *Bohemia,* "for his vigorous and unceasing struggle for freedom of the press in Cuba and the rest of the hemisphere." *Bohemia's* editorial comments and articles have consistently opposed restrictions on freedom of the press, in spite of the threat of retaliation during perilous times in Cuba.

Public service in behalf of the community is an important function of newspapers everywhere. Two newsmen are slated for honors in this field. One is José Francisco Borgen of the daily, *La Prensa,* for his editorials and columns effectively promoting health and social welfare projects, particularly for underprivileged children, in his native Managua, Nicaragua. The other award recipient is Roberto Justo Ezpeleta, director of the newspaper, *El Rivadavia,* in Comodoro Rivadavia, Argentina. Ezpeleta walks off with the award for news writing and reporting in this field. Winning the award for Ezpeleta was a series of articles that resulted in the breaking of a meat monopoly that had victimized the people of his community.

During the recent dictatorship of Rojas in Colombia, tight censorship was clamped on the press of that country. For his subtle penetration of the veil of censorship, during that troubled period and for his interpre-

Ecuador



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tation of the nation's state of affairs through his cartoons, a $500 award goes to Hernando Turriago of Bogotá. Cartoonist Turriago's prize-winning work appeared in the newspaper, *El Tiempo*, under the pseudonym "Chapete".

The bronze plaque, awarded annually to the Latin American publication which has "especially distinguished itself for meritorious journalistic work in behalf of the community," this year goes to the magazine *Veritas*, of Buenos Aires.

Veritas wins its citation "for interpreting to the Argentine people, and the hemisphere at large, the story of its country's struggle for the restoration of democratic ideals and economic stability after the decade of destructive dictatorship." *Veritas*' publisher Francisco A. Rizzuto will receive the plaque for the magazine.

The Awards program is conducted by the IAPA with a grant from the Mergenthaler Linotype Company in honor of Ottmar Mergenthaler, inventor of the linotype.



Hernando Turriago (Chapete)



Roberto Justo Ezpeleta

Books IN REVIEW

Climate and Economic Development in the Tropics

By Douglas H. K. Lee
Harper and Brothers,
New York, 1957, 182 pages $3.50

As in other areas of inquiry and analysis, fads and fashions come and go in the social sciences. A noteworthy victim of this intellectual ebb and flow has been the idea, now several centuries old, of climatic determinism, which has sought to explain variations in social, political, and economic behavior in terms of climate. Thus Montesquieu, in his celebrated *L'Esprit des Lois,* relied heavily upon variations in physical environment in explaining the differences between French and British political institutions.

Probably the most noteworthy recent exponent of climatic determinism was Ellsworth Huntington, whose *Red Man's Continent* and *Civilization and Climate* were published in the 1920's. Since then, the social sciences have undergone a violent reaction against this idea. In the 1950's it has in general been most unfashionable of a social scientist to write or speak of "civilization and climate."

Contemporary theory tends to underemphasize—indeed, to ignore—the role of climate in human behavior. This fashion represents one of the chief areas of imbalance, of distortion, of much current research in social theory.

Lee's little volume represents an interesting attempt to redress this imbalance. He takes note that many of the economically underdeveloped countries, lie, in whole or in part, in the tropics, and attempts to inquire into the interplay between climate and levels of economic development. Some sectors of the study are easier to carry off than others.

A relationship between climate and agricultural production can be seen, as can an interplay between the physical environment and the health of human beings and other animals involved in national economies. However, there are what Lee calls "complicating"—



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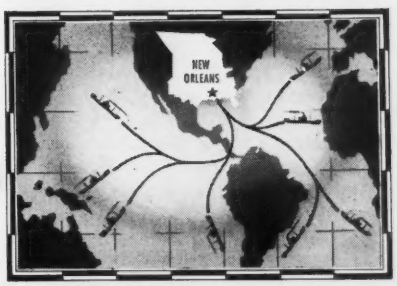
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by which he means non-climatic—factors which enter into the problems of economic development. These include such matters as patterns of land tenure, the status of technology in underdeveloped areas, social restraints, and similar considerations which cannot readily be laid at the door of climate.

The study stubs its toe on the difficult methodological problem of separating the effects of climatic from the "complicating" or non-climatic factors. Granting that the physical environment exercises a significant influence upon economic development, how does the investigator distinguish or separate this from the likewise significant influence of non-climatic considerations? Is it possible to know, in quantitative fashion, how much of the problem of economic underdevelopment can be ascribed to each of these important sets of factors?

Insofar as Lee is unable to answer this, his book falls short of assessing the relationship between climate and economic development in the tropics. The book, however, is not a failure, as it does make a noteworthy gesture toword exhuming the perhaps prematurely buried body of interest in the interrelationship between climate and human behavior.

George I. Blanksten
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The Emerald Lizard

By Carlos Samayoa Chinchilla
Translated by Joan Goyne MacLean
The Falcon's Wing Press,
Indian Hills, Colorado, 1957,
274 pages, $3.50

The Emerald Lizard is a fine collection of tales and legends of Guatemala by Carlos Samayoa Chinchilla, one of the most famous of present-day Guatemalan short story writers. Samayoa is well known for his excellent plots, his authenticity in Indian background and psychology, his ability to tell a story in simple language, either polished or vernacular. He paints scenes with words on a big canvas of centuries. His pre-Columbian, colonial and contemporary scenes are graphically and gracefully portrayed. His narrative is always lively. "The Legend of the Popol Vuh", "The Coyote and the Badger", "The Birth of Corn", "The Totem", "The Wild Bluebell", "The Emerald Lizard", "The Star-Faced Yearling", "Mother Farm", "Call of the Blood", "The Enemy", "Maria Candelaria", "The Green of the Horse God", "The Lace Rose"—all are artistic and instructive tales, well sketched and well developed, endowed with color and suspense.

Samayoa has published three books of short stories: *Madre Milpa, Cuatro Suertes,* and *Casa de la Muerta. The Emerald Lizard* is a translation of *Madre Milpa* plus three additional new stories. In *Madre Milpa* the stories are arranged in a different order, more conducive perhaps to magnetize or entice at once the interest and curiosity of the reader than is the English version.

A few of the stories lose some of their sense of place and time in the translation, but the American reader who has not read them in Spanish will not notice it. A case in point is "The Star-Faced Yearling", one of the best. In the Spanish story ("El Novillo Careto") the Indian and his wife speak in a vernacular language and therefore give the story a sense of place and veracity which is partially lost in the carefully worded English dialogue. The same effect might be accomplished by using the vocabulary of an uneducated American Indian. In spite of this problem in translation the story in English brings out neatly the psychology and the soul-searching of the ambitious and unfortunate Guatemalan Indian couple. In this story, on pages 122, 124, 125, 126 and 127 there are a few errors of translation.

The short story that gives the title to the book, "The Emerald Lizard", reminds us of Ricardo Palma's "El Alacrán de Fray Gómez", one of his many delightful *tradiciones peruanas.*

We should be grateful to Miss Joan Coyne MacLean, the translator, for this book. Carlos Samayoa Chinchilla is a distinguished writer whose stories the American reader will certainly enjoy. We hope Miss MacLean will translate more tales and legends by the same author.

James A. Cuneo
Associate Professor of Spanish
University of Minnesota

20,000 Miles South: A Pan American Adventure

By Helen and Frank Schreider,
Illustrated with Photographs and Drawings.
Doubleday and Company, Inc.,
Garden City, N. Y.,
1957, 287 pages, $3.95.

Helen and Frank Schreider are made of the same stuff that inspired the early pioneering adventurers of the New World to create and mold two unique and dynamic societies in North and South America.

These young people have done what many before tried to do and failed, what many more have wished they had the courage to try. The Schreiders traveled the entire 20,000 miles of the Pan American Highway route—both the completed sections and those portions only on the drawing boards—from the Arctic Circle in Alaska to Tierra del Fuego at the southern tip of South America.

Armchair travelers in the comfort of their homes usually stand in awe of the exploits of the do-it-yourself-type adventurer. This was certainly evident in the case of the Kon-Tiki saga; it has been equally true in the recent story of Victor von Hagen's journey along the 2000-mile route of the Inca road system. The Schreiders' odyssey ranks among these vital and original adventures.

The frequent gaps in the Pan American Highway between some Central American countries are ordinarily covered either by rail transport or ocean-going steamers. This method didn't appeal to the Schreiders who had that extra spark of courage and persistence needed to make the entire trip under their own steam.

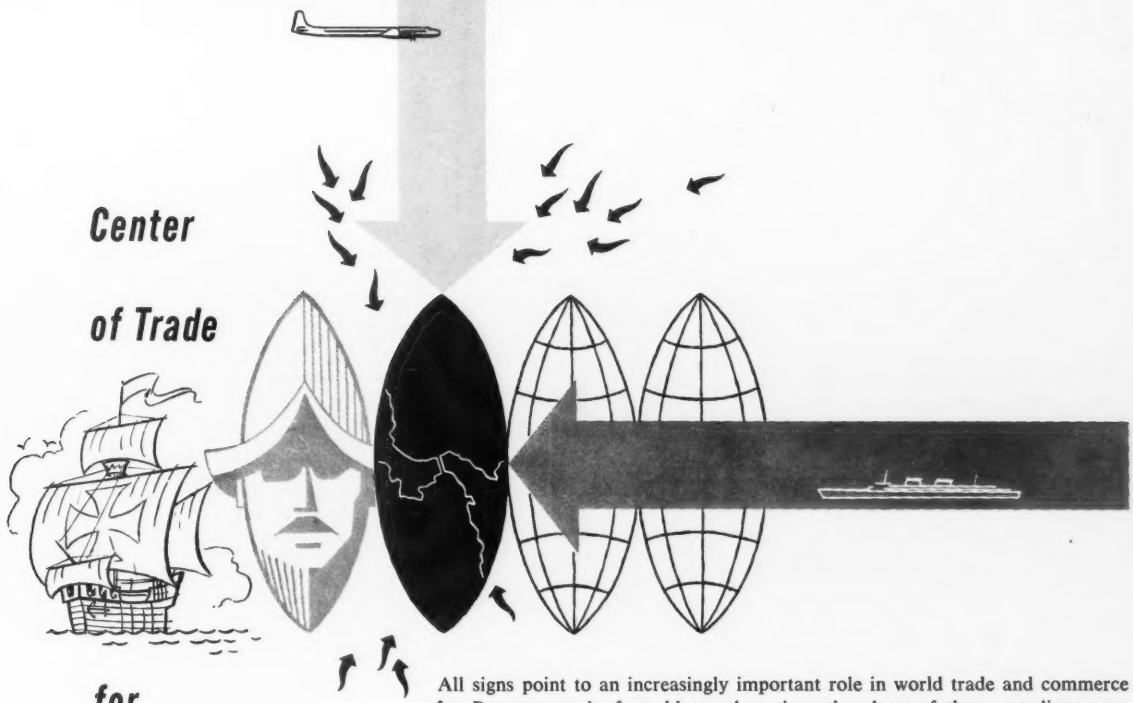
They used an ocean-going jeep, named "La Tortuga" (The Turtle), to island-hop around the impenetrable jungles of Costa Rica, Panama, and Colombia, to cross two-mile-high lakes in the Andes, to ford streams and swamps in coastal lowlands, and to cross the turbulent Strait of Magellan separating mainland South America and Tierra del Fuego.

The trip may not have been an easy one, but the sum total of the Schreiders' experiences add up to a pleasant excursion for the reader. The authors share their feelings as well as their experiences. Their German shepherd, Dinah, adds to the color of the journey; and Frank Schreider's excellent pictures bring much of the story into visual focus.

Maybe the Schreiders, and certainly their children, will someday soon be able to make the same trip over a nicely-surfaced, modern highway. Such adventures as those in *20,000 Miles South* will then seem like incredible tales of a distant past, but it is just such pioneering adventures that are bringing the reality of a Pan American Highway closer.

James Nelson Goodsell
Staff Writer
The Christian Science Monitor
Boston

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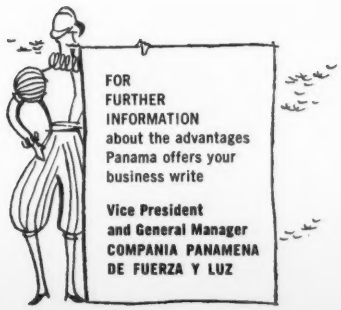


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In addition, the Colon Free Zone offers business advantages of economy and convenience in international commerce not afforded through usual export marketing methods. Commercial firms can obtain a larger share of nearby Latin American markets through rapid service from bonded stockpiles in the Zone, which also permits light manufacturing and assembly operations and reshipment abroad without duties or consular fees.

Compania Panamena de Fuerza y Luz, a private utility company serving the nation's two largest cities, Panama and Colon, with electric, gas and telephone services, is meeting the challenge of Panama's growth. The company has increased its output of electricity 89 per cent in the past 10 years, and an expansion program is now in progress which will add an additional 25 per cent to installed capacity by 1958.



Compañía Panameña de Fuerza y Luz

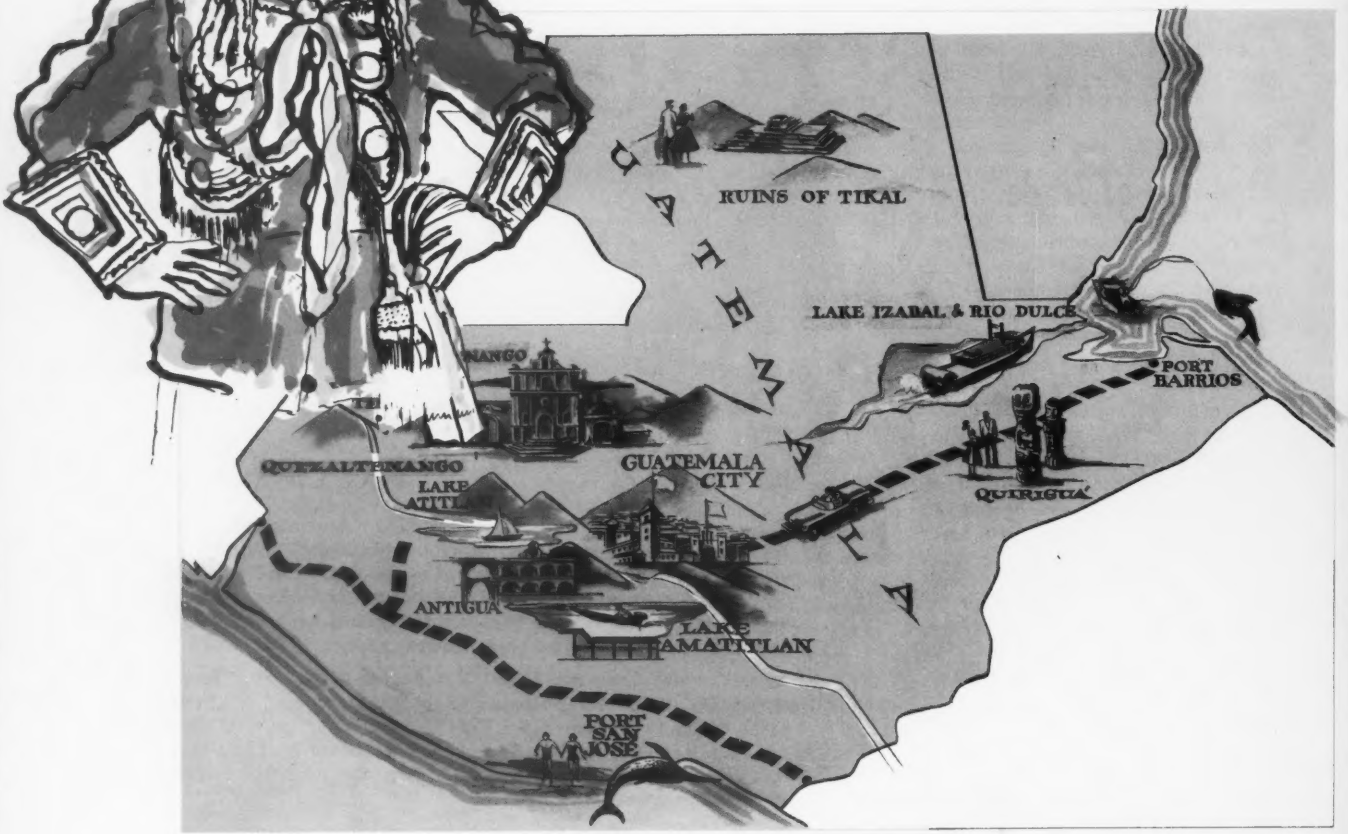
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